



Popular Control of the Liquor Traffic.

BY

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WITH AN INTRODUCTION BY

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The work of the experts of the United States Labour Department leaves nothing to be desired.—*The Times* (Oct. 4, 1894).

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INTRODUCTION.

THOSE advocates of reasonable reform in the control and management of the liquor traffic who desire to eliminate altogether the element of private gain from the sale, are generally spoken of as adherents of the Scandinavian or the Gothenburg system. The description is not altogether accurate, because, in the first place, there is, strictly speaking, no uniform system in either Sweden or Norway, and the practice not only varies in the two countries, but also in the separate towns and districts in each; and, in the second place, because no one has yet proposed that any of the plans adopted in either Sweden or Norway should be transferred bodily, and without adaptation, to this country, where the history and character of the trade, the habits of the population, and many other important conditions, are widely different.

The Public-House Reform Association claims, therefore, to be judged in regard to the principle which it seeks to establish, and not according to the particular application of that principle which may have either failed or succeeded in some other country. The reasonableness of this contention will at once be conceded if we recall the numerous reforms now firmly established in the United Kingdom, which we should have been deterred from attempting at all if we had suffered ourselves to be exclusively guided by the imperfect experience of other lands; and especially it may

be pointed out to the friends of prohibition and local veto that any other conclusion would be fatal to their pet schemes which have already been tried and found wanting in such important communities as the States of Massachusetts, New York, Illinois, and Ohio. On the other hand, it may be readily admitted that the result of all experiments made elsewhere should be watched with interest for the suggestions they may afford to ourselves, and that when these experiments have conspicuously failed, we should exercise even greater caution than usual before we assume that they will be more successful with us than with them by whom they have been already tried.

On this account I welcome the exhaustive and impartial history of temperance legislation in Sweden and Norway which Dr. Gould has contributed to the discussion of the general question. Appointed to report on the subject by the United States Department of Labour, the author of the following treatise commenced his task, as he tells us, "absolutely without prejudice," and he came away "a convert to the system."

Is not this general statement from a competent observer of more value in itself than any statistics, however elaborate, especially when it is confirmed, as I believe it is, by every person who has studied the results on the spot without preconceived opinions?

Nearly eighteen years ago I visited Sweden on a similar errand, although perhaps with a less impartial mind than Dr. Gould, since I had already satisfied myself by *a priori* reasoning that the result of removing altogether from the conduct of the trade all considerations of pecuniary interest and personal profit must conduce to the discouragement of excessive drinking, and consequently to the spread of

temperance and the diminution of drunkenness, with all its attendant evils.

I argued as the Corporation of Stockholm did when they reported in favour of the application in some form of the Gothenburg system to the capital. "It is clear," they said, "that as the consumption of 'Branvin' is dependent on the desire for stimulants, and the power of satisfying that desire, and also the desire of gain on the part of the seller, the consumption must decrease in proportion as one of these influences ceases to operate. . . . But if, contrary to all probability, such should not be the case, so many advantages in other respects would, in our opinion, result from the adoption of the Gothenburg system, that we have no hesitation in recommending it."

Their forecast has been amply justified by experience, and the tables in the following pages show that in Stockholm, as in Gothenburg, the consumption per head has been reduced by more than one-half, while all the collateral advantages anticipated in regard to the policing of the trade, the observance of regulations, the good conduct of the houses, and of their frequenters, have been fully realised.

The first thing which struck me in the course of my inquiries in Sweden was the almost unanimous favour which the plan has won from those most qualified to express an opinion. The legislature and the municipalities, the provincial governors and the clergy of all ranks, the police authorities and the organs of the Press, vied with each other in singing its praises. Even the strenuous adherents of prohibition accepted it as a great step in advance, and the best practicable until public opinion could be induced to favour total abolition. The Gothenburg system has now been in operation for thirty years, while in

Stockholm the same system has been applied for seventeen years; and after all this time Dr. Gould found that the prevalent opinion in Sweden was still as strongly favourable to-day as it was eighteen years ago. Again, I ask, is not this more conclusive as to the success of the experiment than any argument drawn solely from figures, which always require to be studied in the full light of local conditions, and which must be used with all the qualifications which only local knowledge can supply.

But even if we decide to rest our case on statistics alone, the conclusion will be the same. Not only has the consumption been reduced, but the returns of drunkenness and of crime show considerable improvement. Of twenty-five provincial governors applied to for information, twenty-one reported that drunkenness had considerably diminished. The police-reports are, I believe, uniformly satisfactory, and it must be remembered that these results have been obtained under a system which is still confessedly imperfect, but which the legislatures of both Norway and Sweden have been encouraged by the experience already obtained to extend and improve.

Another point which impressed me during my visit to Sweden was the homely and unpretentious character of the public-houses, and the good conduct which prevailed in them even when most crowded. No adventitious attraction of flaming gas, gilded mirrors, nor brilliant decorations is permitted. They are evidently established to provide for a want already felt, but not to induce it by artificial allurements. It would be impossible to imagine a greater contrast than is presented by the gin-palaces in some of our large cities and the unpretending buildings in which the trade is carried on in Gothenburg. After visiting a

number of these houses, and finding them all of the same character, I said to the Chief of Police, who was accompanying me:—"I have seen enough of this sort of house. Now take me, if you please, to the worst house in the worst corner of Gothenburg." "You are there now," was his reply. "This house is on the quays frequented by the lowest grade of the maritime population. In old days it was the haunt of prostitutes and bad characters of every kind, and a constant scene of riot and disorder. You can judge for yourself of the change effected." I can only say that the place in which I was then would compare favourably with any average public-house in any of our great cities. I gather from Dr. Gould's report that the state of things has certainly not altered for the worse during the last eighteen years, for he says that gambling and immorality have been entirely disassociated from the public-house.

When we add to the testimony of all authorities on the spot, and the evidence of every impartial observer, the significant fact that no community that has once adopted the system has ever abandoned it, I do not see how we can resist the conclusion that, in spite of its admitted imperfections, the Gothenburg system has done more for the promotion of temperance than any other plan yet proposed or tried.

Hostile critics of the system have one great argument in reserve. Granted, they say, that it has reduced drunkenness and the consumption of liquor in Sweden, the improvement, even now, still leaves Sweden in a worse position than England is at present, and without any system at all. Statistics—sometimes of very questionable authority—are brought forward to prove this assertion; but, without

discussing them, we may say at once that they have no bearing on the question. We are agreed that there is still too much drinking and too much drunkenness in England, and surely it is not contended that there is a fixed level below which the principle which has produced such remarkable results in Sweden will cease to operate. Experience is opposed to such an illogical conclusion. When Norway followed the example of Sweden, its consumption per head was, according to the diagram prepared by Mr. Brooks, of Massachusetts, and reproduced by Dr. Gould, less than half that of Sweden. Yet a further reduction of more than one-half has followed upon the trial of this experiment. It does not seem likely that English experience would contradict the results which have been uniformly observed in other cases.

Dr. Gould's book throws light on all the points that I have touched upon in this introduction. To all who can afford the time and the expense I heartily recommend a personal visit to Scandinavia, where, in addition to the knowledge they will gain on the subject of this important social experiment, they will make the acquaintance of a hospitable, intelligent, and charming people, and will enjoy some of the most beautiful scenery in Europe. To those to whom this privilege is denied I commend the perusal of the able and comprehensive Report which follows.

J. CHAMBERLAIN.

Dec. 13, 1894.

PREFACE.

A WISE control of the liquor traffic is the most pressing social problem of the age. Immoderate drinking is universally recognised as a leading factor in crime, pauperism, and a host of moral evils. Its economic significance is by no means so clearly understood. The annual drink bill of the United Kingdom approaches £140,000,000. In the United States not far from £200,000,000 are spent every year in alcoholic indulgence. In Germany, Austria, and France the consumption of both spirituous and malt beverages is progressing at a dangerous pace. Belgium to-day has a liquor shop for every thirty-nine inhabitants—a situation which might offer contemporary sanction to the remark of Quirini, the Venetian envoy in 1505, that there beer replaces water as the fourth cosmic element.

The danger resident in these huge national liquor bills reaches beyond misery and moral degradation. Civilisation itself is menaced by this growing economic waste. If it be true—and there seems to be a general opinion to that effect—that excesses are less frequent now than formerly amongst the upper classes, the burden must be falling chiefly upon those who are relatively least able to support it. Certainly the family budget of the wage-earner is not so flexible that liberal expenditures for drink may be made with impunity. So delicately adjusted is the balance that the status of a new generation is largely determined by the quantity of liquor the fathers consume. Let all interested

in the well-being of democracy remember this fundamental fact.

In the course of official experience I have had occasion to investigate the social condition of several thousand workingmen's families in Europe and the United States. One result of my observations proves that had alcoholic drinks been entirely abjured, each family, on the average, might have added two more rooms to its habitation. Abstinence consistently followed by industrial operatives over a period of years would have created a fund sufficient to purchase a home and appreciably elevate the standard of life. As it is, publicans, if my figures are representative, receive from this element of the population in five leading countries of the world three-fifths as much as landlords. Even those—and they are many—who cannot regard total abstinence as the last word on the subject, and must hold that drunkenness rather than drinking is the real foe to be combatted, will nevertheless allow that there is ample room for reduction and, so to speak, redistribution of expenditure.

The liquor interest in recent years has grown to be a factor of considerable political importance. Especially in American cities has its baneful influence been felt. Should the representatives of the traffic gain still greater prestige, as they surely will if not checked, civic life will be corrupted to the roots. Entire dissociation is the only safeguard.

Few people will deny that the liquor traffic presents grave public dangers. Yet there is wide divergence of views regarding proper methods of control. A most exemplary body of citizens would like to see radical repression attempted by law. A still larger contingent are partisans of a liberty so broad as to be anarchic.

Between these two stand the great masses of the people, not committed to any particular doctrines, well enough disposed perhaps, but failing to appreciate the urgency of action. They profess themselves disgusted with fanaticism, while apprehensive of the consequences of present licensing methods. Is not this the class which especially needs to be awakened, informed, and rallied in support of a rational régime? They constitute the majority—in Anglo-Saxon countries, at all events—and on them rests the responsibility of initiative.

I have watched with sympathetic interest the growth of English sentiment in favour of rational temperance reform. It has given me unbounded pleasure to note the formation of the "Public-house Reform Association." Under the able leadership which the movement already commands wiser action than has hitherto characterised English policy should result. The present volume has been prepared with the purpose of aiding the association in its campaign of education. I esteem it a privilege to help, however humbly, in this good work, and I wish to acknowledge my obligation to that indefatigable worker, the Lord Bishop of Chester, for the opportunity.

About two years ago, I undertook a mission for the United States Department of Labour to Sweden and Norway, for the purpose of studying and reporting upon the methods of controlling the liquor traffic adopted by those countries. I went there absolutely without prejudice of any sort; I came away a convert to the system. The testimony of facts and the object-lessons afforded on every hand were so conclusive that I could not help feeling that the Scandinavian method is the only really practical means of dealing with the liquor evil in this generation. This

opinion is fortified by knowledge and observation of other systems, gained from nearly five years' experience as an investigator of social problems in Great Britain and on the continent of Europe. It is far in advance, too, of any method which has been tried in the United States. I do not regard the Scandinavian plan as perfect, but I do believe it to contain the "promise and the potency" of higher things. It is a measure of progressive reform, sound in principle, operating harmoniously with well-defined laws of social advance, and is easily adaptable to English and American conditions. Its trial will do more than anything else yet suggested to mitigate an intolerable social curse.

POPULAR CONTROL OF THE LIQUOR TRAFFIC.

CHAPTER I.

LEGAL BASIS OF THE SCANDINAVIAN SYSTEM.

IN Norway the right to distil is granted to citizens living in towns, and to owners and occupiers of land in the country upon which taxes are paid. In Sweden the payment of a tax on ground owned or leased confers this privilege. There are exceptions in both countries, which, generally speaking, cover the judiciary, clergy, municipal, military, police and fiscal officers. None of these may engage in the manufacture of spirits. Distilling apparatus in Norway must have a minimum capacity of twenty-five gallons; no kindred restriction prevails in the sister kingdom. Distilling in both countries is conducted under licences granted by the provincial governors, who are appointees of the Crown. It may be carried on in Norway during nine-and-a-half months, and in Sweden during eight months, of the year. A tax is levied in Norway every time any distilling is done, counting fifteen days as a minimum time of operation, and 5,065 gallons as the assessed production. This provision is aimed at domestic distilling, and is designed to concentrate the business in a few hands. In Sweden the minimum production for the total period of eight months is fixed at

Production of
- Spirituous
Liquors.

2,113 gallons. The ordinary revenue tax is two shillings per gallon, but a supplemental excise of fivepence a gallon is assessed whenever the daily product is less than 132 gallons or exceeds 1,320 gallons. The general object of these regulations is to make distilling an industry instead of a domestic pursuit, as it formerly was. Their effect has been to notably diminish the number of manufactories. In Norway only twenty-one distilleries are in operation at the present time. The minimum quantity which distillers may sell at one time is fixed at $10\frac{1}{2}$ gallons by Norwegian, and 66 gallons by Swedish law.

**Wine and
Malt
Beverages.**

A sharp distinction is drawn in both countries between the sale of spirituous liquors and of wine and malt beverages. Historically, there is a reason for this. When temperance agitation first began, effort was directed solely against the abuse of spirits, and it was considered distinctly a temperance measure to advocate wine and beer as substitutes. Naturally, since public agitation concerned itself so much with the one, the law has been uniquely occupied therewith. Now, however, the encouragement of wine and beer drinking is no part of the temperance propaganda, and the efforts of teetotalers and moderates alike are being directed to secure an effective control of the sale of fermented beverages as well.

**Definition of
terms "Re-
tail" and
"Bar trade."**

By "retail and bar-trade" is meant traffic in native spirits* in quantities less than $10\frac{1}{2}$ gallons at one time in Norway, and in Sweden less than 66 gallons. The alcoholic content ranges from 40 to 50 per cent. In Norway

* The spirit of the Scandinavians is commonly called "braendvin," generally translated into English as "brandy." When, therefore, in the succeeding pages the occasion arises to use this word, it must be understood as referring to a liquor distilled from potatoes or corn, and containing from 40 to 50 per cent. of alcohol.

the minimum for retail sales is placed at .35 of a quart, while in Sweden it is a little over a quart (1.056 quarts).

The licensing system is the underlying principle of the liquor law of Sweden and Norway, but so modified that prohibition is not only made possible but actually encouraged in rural communities. For the larger municipalities also the door is left wide open to local option, as no licence may be granted if the people so express their will through their chosen representatives. In the country the policy is to favour prohibition. So successfully has this latter been carried out, that few licences are in operation in the rural districts of either of the two countries. In Norway a country inn-keeper is not obliged to keep spirits on hand, and he is expressly forbidden to sell to any person living within a radius of $3\frac{1}{2}$ miles from his hostelry. Probably few men are thirsty enough to hitch up their horses and drive more than seven miles for the purpose of getting a drink.

**Licensing
System.**

The licensing authorities in the cities, towns, and villages of both countries are the magistracy, acting with the advice of the municipal representatives or general town meeting, and with the formal assent of the governor. The reason why the latter functionary is made a party to the transaction is that, *ex-officio*, he is the chief of the police system of the province. Hence, when consenting to licensing concessions he will naturally have in mind the facilities offered for policing public-houses, and knows better, perhaps, than any one else the records of the applicants.

**Licensing
Authorities.**

The theory is the disposal of licences at auction to the highest bidders, which means in Sweden to parties of approved character and competency to carry out engagements,

**Disposal of
Licences.**

who offer to pay a tax on the probable consumption of spirits during the licensing period at the rate of a fraction less than 2d. a quart, with the annual quantity sold fixed at 792½ gallons as a minimum. In Norway the assessed tax is slightly over 1½d. a quart, without a prescribed minimum; but it is the practice there, after having decided on the number of public-houses and retail shops to be licensed, to divide the total assessed probable consumption equally between them. No account is taken of the special business advantages of any one situation. The result is a practical restriction of the business to a few places, and the driving out of existence of the smaller and lower kinds of drinking places, which, in order to make a living, are obliged to resort to exceptional means, usually indefensible from a moral standpoint, to push their wares. Reducing the number of places where liquor is sold renders policing much easier. In order to prevent the up-growth of public-houses just beyond the municipal boundaries, the Norwegian law fixes the excise for drinking-places located within a radius of 3½ miles at the same figure as for those situated within the towns themselves. The excise on probable consumption is liberally estimated in both countries, and even though at the end of the year it is shown to have been largely in excess of the amount which the actual sales would justify, no part of it is recoverable by the payers. In Sweden the destination of the tax is the municipal treasury, while in Norway it is devoted solely to the poor fund.

**The Company
System:**

The prevailing method of public control is the so-called "company monopoly." This feature was authorised in Sweden in 1855, and in Norway in 1871. It has so largely superseded the practice of disposing of licences at

auction that in Norway, to-day, fifty-one towns and landing-places, including all of any importance, have adopted the plan. In Sweden seventy-eight towns have granted the monopoly to brandy companies, in twelve the sale by auction is still adhered to, in ten there are privileged licences only—i.e., licences granted previous to 1855 by royal warrant, and good for the lifetime of the holder—and in two small towns prohibition prevails. Generally speaking, in the country, prohibition, and in the towns, the company system, represent normal conditions. Considering the enormous territorial extent of the two Scandinavian kingdoms and the preponderance of the agricultural population, it is not difficult to see that the majority of the people live under a *régime* of local option. The veto power is in Sweden and Norway a concomitant of the company system. (a) Extent ;

The licensing authorities in any community are authorised to grant a monopoly of the retail and bar sale of spirituous liquors to a commercial company formed for the purpose of undertaking them, without any other financial return than a rate of interest on capital invested of 5 per cent. in Norway and 6 per cent. in Sweden. Strictly speaking, the Norwegian law does not fix the rate, the by-laws of the companies prescribing it under the sanction of the Home Department. Five per cent. has become the customary figure. All remaining profits go either to the municipal treasuries (Sweden) or are applied (Norway) directly to objects of public utility. The company receives the monopoly because of the fact that it thus offers so much better terms than private individuals. (b) Application ;

The fundamental idea in the minds of the inaugurators was to create a system where the element of private gain should be eliminated from the sale of intoxicating liquors. (c) Fundamental Principles ;

They meant to attack the evil directly from its economic side, and in this they acted wisely. Any plan to be effective must comprise this feature. Men engage in the liquor traffic, not deliberately to ruin their fellow-kind, but to make money, and, as a rule, all the money they can. Remove the motive, and a bulwark is erected against abuse. It is true that there will be for a time an overflow, but this represents a positive demand for consumption, and can be provided for by the company monopoly plan. Sounder education, temperance propagandism, hygienic ameliorations, and a host of other things will so diminish the feeding streams that ultimately the overflow may entirely cease.

(d) **Constitution :**
1. Share-holders ;

The shareholders in the companies are, as a rule, persons who have public interests deeply at heart. If we take the Christiania company as an example, we find that the original subscribers comprised the governor of the district, two ex-members of the Norwegian cabinet, two royal chamberlains, one chief of police, two foreign consuls, two army officers, the headmaster of a school, seven Government officials, five physicians, ten lawyers, one member of Parliament, nine wholesale merchants, twelve retail dealers, six manufacturers, and seven owners and managers of breweries

2. Shares ; (not distilleries). At the present time the shares have become more widely distributed. Never have they there nor in any other place, as is sometimes alleged, been held for speculative purposes. Three-fourths of the shares of all the companies in Norway are now owned in holdings of one. In Sweden the shares often figure in the list of donations to public and philanthropic institutions, the original owners having so disposed of their holdings at death. During recent years, in Norway, shares have sometimes changed hands at a premium. Enemies of

the system have cited this as evidence that speculation was rife. A satisfactory explanation is easily found when one understands that the possession of a share gives the holder the right to vote at the annual distribution of the profits arising from the company's operations. Persons interested in particular institutions naturally seek the privilege of voting in order that due recognition may be given them.

The statement that shares have changed hands for speculative purposes is positively ridiculous. In Norway, as I have already pointed out, three-fourths are distributed in holdings of one. The capital stock is always small, both absolutely and in proportion to business done. The Christiania company is capitalised at £8,805, and the Langesund company at £32. They are respectively the largest and smallest in Norway. Mr. Koren, in the report of the Massachusetts Legislative Commission, has pointed out that the largest dividends in 1892 were paid to the shareholders in the Christiania company, and they received on the average £3 each. The proportion declines until we reach the Tönsberg company, whose shareholders were remunerated at the rate of 6½d.

3. Capital
Stock;

4. Dividends.

Small as the share capital of companies is, it is hardly ever fully called in. Frequently not more than 25 per cent. is paid up. Interest is received only on the quota paid in. Even though the rate may be slightly higher than current payments by sound financial institutions, it amounts to nothing when we consider what a mere pittance individuals receive. There never was a more senseless charge against the Norwegian system than that which intimates that liquor companies are run for the benefit of shareholders.

Checks on
Companies,

But what guarantee is there that the companies will entertain a loftier conception of civic responsibilities than individual liquor-sellers? Will they not seek to exploit the business *pro bono publico*? In the first place, they are public corporations, whose by-laws receive official sanction, and who make, one may say, with the licensing authorities certain definite contracts. Secondly, for forgetfulness of public weal or any breach of trust, the governor has the right to withdraw the licence privileges without compensation. Approval of the by-laws also being "only for the present," the Government may at any time bring a faithless corporation to a change in policy simply by threatening it with extinction. The control is strict, and one company has been so treated. More frequent necessity has not arisen. Thirdly, the licensing periods are very short, five years in Norway and three years in Sweden, except in the smaller towns, where one year completes the term. Fourthly, the character of men, who, if not precisely from a sense of duty, at least with the certainty of no financial reward, become interested in the liquor traffic, is almost alone a guarantee that philanthropic management will prevail.

And their
Relation to
Public
Authorities.

An intimate relation exists between public authorities and the companies. In the first place, as we have already seen, the by-laws are subject to the approval of the magistracy, municipal council, and governor. Closing the public-houses in cases of emergency legally takes place upon the order of the governor. The sanction of public authority is given to the price-lists. A reduction in the number of licences may be effected arbitrarily at the end of any licensing period by popular vote, without creating a claim for compensation by the companies. In Norway the appointment of bar-tenders and other officers is

subject to confirmation by the magistracy and municipal council.

In this close alliance there reside a benefit and a danger. Every effort made to enjoin upon the companies a proper consideration of public interest and convenience represents the former; but from the civic standpoint, the intimate intervention of the local government, especially in communities where standards of political morality are not as high as they are in the Scandinavian peninsula, may lead to serious inconvenience, and even danger. From these theoretical considerations in the present instance a final appeal must be had to the economic, social, and moral experiences resulting from the operation of the system. Their consideration will assuredly convince an impartial person that the practical benefits have far outweighed the possible drawbacks. Indeed, very few of the latter have ever been realised.*

The Verdict of Experience :

Regulations for policing public-houses and retail shops respond, on the whole, to leading requirements. Sales are forbidden to minors—that is, to persons less than fifteen years of age. The companies have voluntarily and universally raised the limit to eighteen. Retail shops are closed on Sundays and holidays in both countries. Public-houses in Norway are shut from 5 p.m. on Saturday until 8 a.m. on Monday. On weekdays they are open from 8 a.m. to 7.30 p.m., as a rule. In some of the towns they close in the middle of the day for an hour and a half, the idea being to withdraw from the working-man the temptation to drink while going from his work to his home for the midday meal. In the evening the hour for closing comes so early that carousing is practically an impossibility.

(a) **Police Supervision ;**

(b) **Sales to Minors ;**

(c) **Hours of Business in Norway**

* See Appendix A, page 99.

**And in
Sweden.**

Indeed, but little time is left after the working-day is over in which to secure drink at all. In Sweden bars are open on Sundays at mealtimes only, and sale restricted to guests eating. On weekdays the hours prescribed are 9 a.m. to 10 p.m. in towns and villages, and till 8 p.m. in the country. As regards the morning hour, the governors have authority—and usually exercise it in the case of larger cities—to grant exceptions to this rule, so as to permit the opening of the restaurant-bars at an earlier hour. This, however, is not meant to afford extra opportunity for drinking, but to respond to the needs of unmarried male workers, who from time immemorial, in Swedish cities, have been accustomed to take their meals in public-houses. This practice furnishes the explanation of the Swedish law prescribing that cooked food shall be kept on hand in every bar-trade place.* In Norway, national customs being different, quite another policy as regards food has been adopted. No loitering whatever is permitted in public-houses; indeed, in the majority of them no seats may be found. As soon as a man has taken his drink, he must leave the premises. In both countries the sale of brandy to intoxicated persons, or in such quantities that intoxication is likely to ensue, is illegal, while debts contracted for liquor are not recoverable. Business is carried on strictly for cash at all places of sale belonging to the companies.

**(d) Provision
of Food**

**(e) Ready-
Money Pay-
ments.**

**Advantages of
Early-Closing,**

Early-closing is fraught with important and beneficent consequences. The public-house is the one social institution with which a vast majority of our city populations is intimately acquainted. To its hospitable counter the working-man repairs on pay-day to treat his foreman and

* There are scarcely any bars in Sweden such as one sees in England and the United States. Rather should we call them "saloon-restaurants."

his comrades. Before leaving, a fourth-part of his weekly wages has disappeared. Enough is saved to pay the rent, the family must get along somehow with the rest. An evening's conviviality has to offset restricted nourishment, reduced vitality, loss of social opportunities to the children, and an ever-widening domestic breach. The Norwegian practice of opening public-houses at eight in the morning on weekdays, and closing them at half-past seven—except Saturdays, when they are shut up at five—is entirely commendable. The temptation to carouse is almost obliterated, for time and opportunity are lacking. But it is manifestly impossible to insist on such early-closing where ordinary licensing prevails. When financial gain plays no part, it matters not how short is the period of sale; but certainly it is not just to charge the publican a good round sum for his privilege, and then forbid him to ply his trade when he has the best opportunities for making money.

Which is incompatible with Ordinary Licensing.

The Scandinavian method offers other important advantages for the reformation of what one may call the "public-house habit" of working-people. Drinking is not the only—nor, indeed, the principal—motive. The craving for recreation, amusement, and human intercourse brings them to the public-house. The Gothenburg company rendered an important service when it candidly recognised the need of popular social centres. A part of its profits are annually spent in the maintenance of five reading, writing, and club-rooms. Light refreshments are served, but ministry to the gregarious instincts is the *raison d'être*. The attendance record of 217,207 visits in 1892 is a fair measure of appreciation.

Provision by the Company of

Reading- and Club-Rooms,

Not satisfied with this, the company has established an intermediate agency for inducing working-men to break

And Restaurants.

away from public-houses. It has opened four restaurants, where bountiful portions of food are provided at cost price. Cooking is made an art, and the service all that can be wished. Only a single glass of liquor is allowed (on paying for it, of course) at meals ; but so superior have become the attractions of good food, that not more than one-third of the customers now think of demanding it. About £200 annual loss results from running the eating-houses, but the policy it indicates furnishes the strongest possible evidence that the company has not forgotten its philanthropic aims.

**Wine and
Beer :**

As regards wine and beer, it is only necessary to say that few restrictions are enjoined upon their sale. Licences are granted for the bar-trade upon payment of an exceedingly small sum. It has been calculated that, for most Norwegian towns, the profits derived from the sale of four bottles daily would amply indemnify the holder for the

Licences and

cost of his licence. Any merchant may dispose of beer in bottles. Those who possess brandy licences have *ipso facto* the right to dispense fermented beverages. There is no excise tax on either beer or malt. One cannot wonder, therefore, that with the spirit trade so heavily handicapped, and so large a measure of freedom accorded to fermented beverages, the consumption of the latter should have greatly increased ; still, the ratio of advance is much smaller than in many other countries—the United States, for example.

Consumption.

**Capital Stock
of Companies,**

To persons unacquainted with the liquor trade it appears remarkable that the capital stock of these brandy monopolising companies should be so small. Were the facts better known, surprise would not be felt, even though the annual balance should frequently represent several times the amount of the capital actually invested. This is

a general condition which happens to be particularly well illustrated in the case of Norway and Sweden, as the following statement will show :—

Locality.	Capital Stock.	Gross Receipts.	Net Profits.
	£	£	£
Christiania . . .	8,805	69,247	14,801
Bergen	4,402	39,656	8,767
Gothenburg . . .	5,641	53,706	22,452
Stockholm . . .	8,871	128,739	82,699
Norway (as a whole) .	32,842	172,167	76,198

The figures in the column headed “net profits” in the above table exclude the excise paid annually to the municipality for the licence monopoly. In the present instance, one might with perfect propriety include these sums. If one does so, taking Norway as an example, the credit balance would be swelled by £21,191, or to the total of £97,389 instead of £76,198.

Reference to the table also shows that the ratio between sales and profits is by no means the same in the four Scandinavian cities. The net surplus is about 64 per cent. of the receipts in Stockholm, and 42 per cent. in Gothenburg, while it represents 21 per cent. in Christiania and 22 per cent. in Bergen. There are several reasons for this, but the principal one is that the consumption per head of population is greater—indeed more than double—in the Swedish than in the Norwegian towns. As between Stockholm and Gothenburg a re-adjustment of accounts this particular year explains the disparity. The different methods of sub-licensing also exert an influence. In Norway the companies preserve the monopoly of sale of higher-grade spirits, cordials, etc., whereas in Sweden

**And Net Sur-
plus Profits.**

this trade is largely conceded to regular wine merchants, restaurant- and hotel-keepers. Interest-charges on large stocks, shrinkage, and breakage, absorb considerable sums. Neither has the Norwegian hotel-keeper a motive to push the sale of spirits, since all pecuniary advantages belong to the companies.

**Compensation
in Stockholm.**

When Stockholm, profiting by the example of Gothenburg in giving a company the control of the liquor traffic, proposed to buy out and pension off all the publicans and retail dealers in spirits, in order to secure a complete monopoly of the business, the project met with opposition on the ground that to undertake such a financial risk would not only be absurd, but would bankrupt all who were hardy enough to invest their funds in the enterprise. The city persevered, however, and, after one or two unsuccessful attempts, finally succeeded in arranging with every holder of a licence for the surrender of his privilege in return for a life-pension, varying, of course, in proportion to the value of his business. It was found at the expiration of the first year's operation that, after setting aside a fair sum for reserve and paying a dividend of 6 per cent. to shareholders, besides, of course, meeting all necessary expenses, a sufficient sum remained in the treasury to liquidate the pensions of all the ex-publicans of Stockholm for two-and-a-half years to come. These facts may well be considered in connection with the compensation question in England.

**By-laws of
Companies.**

The by-laws of the various companies are, as has already been noted, subject to the approval of the magistracy, the municipal council, and the governor. Their contents deal mainly with the amount of capital stock and method of payment for shares, the qualifications and duties of shareholders and directors, the obligations of employees, and rules

of internal administration. In Sweden, surviving shareholders are usually given an option on the purchase of shares offered for sale. The design is to secure a perpetuation of management along good lines.

The contracts made with such employees of the companies as managers of bars, retail shops, and eating-houses, show how much the public interest is considered. It is specifically stipulated that all sales shall be on corporation account, the employees deriving absolutely no benefit therefrom. The original practice was different, and the present one was inaugurated as the result of experience. At Gothenburg, a certain kind of maudlin sympathy dictated the employment of ex-bar-tenders and publicans as servants of the company. Their salaries were provided for, in part, by a certain percentage on sales. The experiment resulted in abject failure, as might have been foreseen. The keystone of the new *régime* is discouragement of drinking; and it should have been recognised as absurd to expect men of this class to ignore both the influences of habit and the stimulus of self-interest. Here is the groundwork of the charge first formulated against the Gothenburg company—of disregarding the public interest, and of permitting pretended philanthropy to degenerate into positive aggrandisement. No company since, so far as I am aware, has ever attempted to pay its employees in any other fashion than a stipulated salary. The compensation is liberal in comparison with prevailing business stipends, and the companies have no difficulty in securing efficient help.

In Sweden, where managers are compelled to keep well-cooked food, non-spirituous beverages, and cigars always on hand, the profits from these sales form an important perquisite. They employ their own assistants, subject to the

Employees

**Paid by
Salary,**

**With Bonus on
Food, Cigars,
etc.**

**Under
Stringent
Regulations,**

approval of the company. The latter allows fixed indemnities—two-thirds of which are paid to the servant in cash, while board and lodging stand for the other third. Managers must follow the fixed tariff of prices, and serve liquors in glasses belonging to the company. They are held personally responsible for the observance of all regulations, and are forbidden to sell to minors under eighteen years of age (three years beyond the legal limit) and to intoxicated persons. They are not allowed to follow any other occupation whatever during their period of service. Honesty, fidelity and efficiency are the conditions of continued employment, as their supposed possession furnished the sole motive for original appointment.

**And Civil
Service Rules
as to
Promotion.**

A perfect method of control and account prevents either the giving away or fraudulent disposal of liquors by managers or any of the company's assistants. Civil Service rules are applied in promotions, the chief requirement being length of service, combined with good conduct. In cases where several individuals present equal merits on this point, the preference would be given to the employee whose record of sales was the lowest.

Inspectors.

Besides the managers, each company has inspectors, who go around and see that the quality of the liquor offered for sale is good, examine the control books, and see that rules and regulations are being properly observed.

In addition to their salary managers are allowed the profits resulting from the sale of mineral waters, beer, and cigars, which sale they conduct on their own account. But in Norway, and since October 1st, 1893, in Gothenburg itself, recent regulations do not permit employees to receive profits from the sale of beer. Practically, the only other difference between the contracts made with company

officials in Sweden and Norway is, that in the latter country the obligation to provide cooked food is not incurred. The motive is quite clear. The habit of the Norwegian working-man is not to take his meals in drinking-places, whereas in Sweden the contrary custom prevails.

An habitual drunkard, in Norway, finds it increasingly difficult to debauch himself. Many companies furnish their bar-tenders with the names of persons who are sure to "get on a spree" every time they commence to drink. People so blacklisted are generally refused. The law fully justifies the conduct of the company in requiring that liquor shall not be sold to persons already intoxicated, or in such quantities that intoxication is likely to ensue. The smallest glass fires the appetite of the habitual drunkard into perfect uncontrollability.

**Treatment of
Habitual
Drunkards.**

No loitering is allowed in Norwegian bars. A customer, after drinking, must leave the premises forthwith.

Up to the present reference has only been made to the places of bar and retail sale conducted by the company on its own account. Hotels, restaurants, and clubs have not been considered. In this matter a radical difference prevails in the practices of the two Scandinavian kingdoms, and, therefore, an explanation of each must be given separately.

**Management
of Hotels and
Clubs**

In Norway the custom is to make the proprietor or lessee of the hotel, restaurant, or club, for the time being, an employee of the company. He is conceded the privilege of selling spirituous liquors, both native and imported, but he may not derive any personal benefit from their sale. As the agent of the company he is paid a salary, but all profits go into the corporation treasury. He likewise puts himself under a heavy bond for the faithful performance of his obligations. This is the general practice. In certain towns,

**In Norway by
Employees of
Companies,**

notably in Bergen, no privileges of the kind referred to are conceded, and the only way in which a guest in a hotel can obtain a drink is to buy a bottle at a time, just as if he had gone to one of the retail stores of the company.

**In Sweden by
Sub-licensees.**

The Swedish practice is to grant sub-licences to owners or lessees of hotels, restaurants, and *bonâ fide* clubs, whose character has been approved by the licensing authorities, for the sale of imported and high-grade liquors and, sometimes, also "arrac" punch. The companies reserve to themselves, however, the traffic in all spirits or potions compounded therefrom which contain, at 15° Centigrade, more than 23 to 25 per cent. of alcohol. This is uniformly reserved as the monopoly of the company. Neither do the companies, in sub-licensing, transfer the sole right of selling the weaker alcoholic beverages. They do a little of this class of business themselves. The compensation required of holders of sub-licenses is simply the regularly assessed excise tax upon probable consumption. It is estimated in different fashions. In Stockholm it is liberally guessed at, but in Gothenburg sales' books have been called for in order that a correct assessment may be made.

**Gambling and
Immorality
thus Sup-
pressed**

The company monopoly presents at this point certain advantages, which we should do well to consider. By this method of sub-licensing it is possible to suppress gambling and immorality, which so frequently flourish in connection with public-houses. The contracts are made annually with the sub-licensees, and, as we have already seen, the friendly relations between the companies and the public authorities make it easier to interpose special stipulations to prevent any ulterior abuse. As a fact, the companies uniformly do this whenever requested by the police. They sometimes go so far as to withhold the privilege from an individual who

**By Companies,
Supported by
Police**

has wilfully or obstinately transgressed the bounds of propriety in the past.

An interesting case came under my own observation while in Stockholm. The lessee of a large amusement *café* had, in contravention of his contract with the company and in opposition to the expressed wishes of the police department, conducted the sale of liquor in certain quarters of his premises devoted to amusements. Paying no heed to official remonstrances, he was brought to his senses at the end of the year by the company refusing him a sub-licence unless he conformed in every respect to the requirements of the police department. His justification for the transgression was that the sum he was compelled to pay was already so high that he could not recoup himself unless he offered some special attractions with the sale of drinks. In the new contract he was obliged to accept all the conditions imposed, and, as a kind of semi-official penalty, the large amount he was compelled previously to pay was again required.

It should be remarked that the semi-public relations of these brandy companies are such that it is impossible for them to allow any gambling or immoral features in connection with the sale of drink in their own saloons or other places. If they did, considering their avowedly high aim, public sentiment would be so aroused against them that the monopoly would be very speedily done away with and their existence ended. As regards other places, the method of sub-licensing under such hard and fast conditions effectually brings the third party under the control of the police authorities and systematically checks abuses. To say positively, without fear of controversion in the smallest detail, that gambling and sexual immorality have been

And an Effective Public Opinion.

entirely disassociated from the public-house, under the Scandinavian system, is to sound no uncertain note of praise.

**Profits :
(a) Distribu-
tion in
Norway**

There exists a sharp distinction between the methods of distributing the profits of brandy companies in Norway and Sweden. In the former, appropriations are determined by a committee, in which the shareholders and the public are usually equally represented. Shareholders elect their substitutes, while the municipal council selects the public representatives. The surplus remaining after making provision for all expenses and a 5 per cent. dividend, and after a reserve equal in amount to the capital stock has been once created, is awarded to objects of public utility which the municipality is not by law already obliged to support. An analysis of the profits distributed during the decade from 1880 to 1890 shows that the average annual amount was equal to £66,037. Nineteen per cent. of this was given to various educational objects, 7 per cent. was awarded to public institutions, $6\frac{1}{2}$ per cent. went for the creation or improvement of parks and highways, and $1\frac{7}{10}$ per cent. was bestowed in the form of subsidies upon various teetotal organisations for the purpose of aiding them in their propaganda.

The Norwegian method is salutary from a triple point of view. No part of the surplus can be applied to lessen the tax-rate. The fact that in Sweden the local municipal treasury is the chief recipient has been understood by uninformed or hostile persons to indicate that public cupidity had simply taken the place of private gain in the conduct of the liquor traffic. The charge is quite unfounded, unless with the rarest possible exceptions. Secondly, the sense of local civic responsibility is maintained. Thirdly,

the philanthropic energies of a community are stimulated and extended.

In Sweden a tripartite system of distribution prevails. The municipality, as a rule, receives seven-tenths. Two-tenths belong to the general government, and one-tenth is accredited to the agricultural society of the neighbourhood. Accounts are audited by persons representing each of these three parties, and, consequently, there is no loophole for fraud. Stockholm receives eight-tenths, and smaller towns get only five-tenths; the country communities in the latter case profiting from the relatively smaller share granted to the urban.

And in Sweden,

Considerations of equity dictate that a portion of the profits shall go to the country. Since the company-plan was inaugurated, licences have practically disappeared in rural districts, involving necessarily the loss of excise. Drinking, however, has not wholly ceased; for peasants coming to town very frequently provide themselves with liquor, and, unfortunately, often take advantage of the rare opportunity to absorb too much. The country communities, therefore, claim that, having lost in two ways by the company system, they are entitled to receive a portion of the profits. Their plea has been admitted. In Sweden farming is the staple occupation and the great source of prosperity. Agricultural societies have for their object the spread of scientific knowledge in relation to cultivation, the introduction of better breeds of stock, kinds of cereals, etc. Hence the subsidy.

The Country Districts receiving a Share;

The average annual profits of all Swedish brandy companies during the decade from 1880 to 1890 was £323,061.

(b) Amount

The question of profits of brandy companies under the Scandinavian system has received a great deal of attention,

(c) Offence to
"Temperance
People,"

Many temperance people believe that they have here found a vulnerable point. Others take the high ground that public sanction, which, according to the Swedish practice, is in a measure involved, is iniquitous ; and that financial resources coming from the sale of drink should be considered a kind of "blood-money." Furthermore, they believe that distributing profits in this fashion entails a certain relief from taxation, and, consequently, the system becomes fastened more surely and permanently upon the body politic. It is extremely bad morality, they say, for taxpayers to receive benefit in any way from the consumption of drink. Such arguments are by no means unreasonable, but in the present instance they do not represent facts. The annual profit-balance is so light in comparison with the total national tax, that the relief accorded the contributor is not much greater than the lowering of the water-line of a large reservoir whence a few buckets have been bailed. A careful investigation upon this point leads me to believe that, far from the tax-bills in any given locality having been reduced as the result of this system of distribution, the community has benefited by increased expenditures upon objects of public utility, which otherwise might not have been possible. I do not think it can be successfully demonstrated that the tax-payers have been relieved owing to the income from the brandy companies. That the companies themselves have no motives to create profits, is incontestable. Shareholders can receive no pecuniary advantage beyond that which a 5 per cent. or 6 per cent. dividend upon the amount paid up on their shares confers. Owing to the lucrative character of the business, the sum necessary to pay this is easy enough to gain. The most that can be said is that the municipal purse has been made more open,

But without
Cause ;

and public contributions more generous, because of the proceeds received from the sale of liquor.

Norway, theoretically, has a better system for the distribution of liquor companies' profits than Sweden, but investigation leads me to believe that ultimately the surplus reaches practically the same destination. It is true that Norwegian law forbids any subsidy to an object or institution which the municipality is legally compelled to support, but this does not at all prevent the creation of objects and institutions similar in character and purpose, and conducted often on more wholesome lines. Thus, the large proportion of the surplus which has been donated for educational purposes and for the extension of parks and highways, might, with equal propriety, have come from municipal treasuries.

A distinctive effect of the Norwegian system is that local competition for financial favours from the company is created, while the distribution committee represents only in part the public interest. It has been this scramble for recognition, so to speak, which accounts for the wide distribution of the shares of Norwegian companies. Possession of a share confers the right to vote for a representative on the committee of management, whose duty it is to apportion subsidies. It can be truthfully said that no great abuse has so far arisen in Norway, notwithstanding that there is an opportunity for it; but one conspicuous instance fairness compels me to mention. In a small town of western Norway, it has been the practice for many years to close all saloons and liquor shops for three weeks on the return of the fishermen from the sale of their annual catch. With pockets gilded and little to do, it was very natural that they should feel convivially

(d) Theoretical Superiority of Norwegian Method,

Though Liability to Abuse cannot be altogether eliminated;

disposed. The company simply took upon itself the paternal responsibility of removing the temptation, and no great outcry resulted, because the inclination to celebrate was gradually replaced by a spirit of thankfulness for the real service rendered. There lived in this community, however, a philanthropic doctor, who desired greatly to build a hospital where the sick and injured of the neighbourhood might receive proper treatment. He had applied at different times for aid from the brandy company, but obligations already incurred rendered a generous appropriation out of the question. Finally, to solve the dilemma, it was suggested that the saloons be opened during this period of three weeks when they had previously been closed. This was done, and three years furnished the resources necessary to complete the scheme. In this case the motives of the doctor were good ; but his apprehension of principle was so imperfect, and the effects of the means adopted so bad from a moral point of view, that we may say the system furnished him the opportunity to sin socially. But have not wretched systems of error been founded upon one-sided interpretations of Biblical law, and is the Bible responsible for them ?

(e) No real incentive to Civic Greed,

Another purely theoretical objection is that, under the Swedish method, public cupidity simply takes the place of private. The fear is entertained that, once aroused, civic greed may go farther, and show itself more difficult to restrain. The answer to this is evident enough. A community which sought to thrive on the misfortune of its members could not very long exist. The poor-rate and expenses for criminal and reformatory establishments would not be long in absorbing far more than the profits derived from the liquor trade, no matter how much the consumption

of drink was encouraged. Thus, a practical limit exists to the extension of public cupidity. The community if it goes wrong has to bear its own burdens; the private trader pockets the gains and leaves the evil consequences to the community.

From the ethical point of view, it can make no difference whether the beverage which debauches is served by a quasi-public corporation or an individual. But it matters considerably in the economic sense. In the one case, society bears the burden exclusively; in the other, it is partially recouped. The Scandinavian plan was never designed to prohibit the consumption of liquor, or to eradicate all the evils to which immoderate drinking gives rise. It was intended to check the vice of drunkenness by lessening temptation and by reducing consumption to normal requirements. The public-house is put under such heavy bonds, so to speak, that it is more and more regarded as a reformatory institution, and shunned by self-respecting people. The liberty to drink, if one wants to, and has the necessary means to purchase liquor, is fully conceded, but abuse of this right is carefully and effectually restrained. In short, the methods employed are educational rather than repressive. The end sought is the reformation of popular habits, and it is reached by a series of evolutionary stages, each one of which finds its sanction in advancing public sentiment.

**And not
Immoral.**

Probably no system for distributing the profits of the liquor trade could be devised which would be entirely free from theoretical objections or practical difficulties. Neither of the plans adopted in Sweden and Norway measures up to an ideal standard. Finland has tried a compromise, which is worthy of mention. The surplus is given, one-half

**Method of dis-
tribution in
Finland**

to the town in which the brandy company is located, one-fourth to the country communities of the province in proportion to population, one-eighth to the local agricultural societies, and one-eighth to the company itself. The apportionment to urban and rural districts, three-fourths of the entire sum, must be distributed amongst local objects of public utility, those aiming at the promotion of temperance, public health and education, and the care of the poor having the first claim. The part given to agricultural societies is spent to further the obvious ends of these organisations. The one-eighth left to the brandy company is expended in the promotion of public welfare, but it may not be given to any object or institution maintained either wholly or in part by municipal taxation. The merits of the Finnish practice are apparent. Liquor-money may no longer be used to relieve local taxation, and the objects for which the major part of it is expended are specified by statute.

**Has obvious
Merits.**

It is undeniable that a wise disposition of revenues derived from the trade in spirits presents many perplexing difficulties. I have elsewhere * referred to some of them in discussing the adaptation of the Scandinavian system to American needs. Standards of civic morality are lower in the United States—and I believe in England, too—than in the Scandinavian peninsula. Such safeguards must be devised that leakage of any kind will be impossible. Disposition of at least the major portion of profits by legal enactment seems highly desirable, while the strictest form of public audit is a necessity.

* "Atlantic Monthly," October, 1893, and "The Forum," March, 1894.

CHAPTER II.

RESULTS OF THE SCANDINAVIAN SYSTEM.

THERE is but one satisfactory test of the efficacy of any method of controlling the liquor traffic, and that is the consumption of drink per head. Even such statistics do not afford an entirely accurate judgment. For instance, they cannot show the abuse of liquor, since one is unable to measure the particular part which has produced intoxication. Every customer is by no means an inebriate. Indeed, in some countries—such as Denmark, where the annual quantity of spirits drunk per inhabitant is larger than almost anywhere else—the people have a well-deserved reputation for sobriety. There the practice is to drink chiefly at mealtime. Neither can we consider consumption of spirits apart from economic conditions. A rise or fall in general prosperity is always accompanied by changes in drinking habits. Particularly when the working classes receive high or low wages will marked fluctuations be observed. It is well known that the British Chancellor of the Exchequer has recourse to the “spirit barometer” in his budgetary estimates of national prosperity.

**The Crucial
Test of Lim-
nished Con-
sumption.**

Before seeking to draw inferences from the statistics of consumption of spirits in Sweden and Norway one must understand on what basis they are prepared. Since the Government regulates the manufacture, the total quantity distilled each year is well known. The difference, too, between exports and imports is easily established; but in calculating the consumption for any particular year

**Data of Calcu-
lations.**

allowance has to be made for a considerable quantity stored away for some future time—a quantity which ought to be credited to the year when it is drunk. Furthermore, it is not known just how much alcohol is consumed in the industrial arts. The thing which is known absolutely is the quantity sold by the companies.

**Sweden,
1856-1890.**

The average annual consumption of spirituous liquors in Sweden by five-year periods, beginning with 1856, has been as follows :—

	Quarts per Inhabitant.		Quarts per Inhabitant.
1856-60 . . .	10·03	1876-80 . . .	10·67
1861-65 . . .	11·31	1881-85 . . .	8·66
1866-70 . . .	9·40	1886-90 . . .	7·42
1871-75 . . .	12·47		

Part of the period from 1871-75 falls in the golden age of wage-earners; work was then abundant and remuneration higher than it has ever been before or since. There is nothing incongruous, therefore, considering what has already been said on the influence of economic conditions, in the sharp advance in alcoholic consumption during these years. After 1876 or 1878 the company system took firm root in the eastern Scandinavian kingdom, and since then there has been a notable diminution in the quantities consumed.

1874-1892.

The influence of the company plan on the consumption of spirits is better shown in the table given below :—

	Quarts per Inhabitant.		Quarts per Inhabitant.
1874	14·2	1884	8·5
1875	12·9	1885	8·6
1876	13·1	1886	8·2
1877	11·2	1887	7·3
1878	11·0	1888	7·0
1879	9·2	1889	6·5
1880	8·5	1890	7·3
1881	9·4	1891	6·7
1882	8·4	1892	6·8
1883	7·1		

In 1874 the first company, the Gothenburg, received a monopoly of retail- as well as bar-trade. Beginning with that year and closing with 1892, the latest date for which statistics are available, we see that the consumption per head declined more than one-half. **50 per cent. Decrease.**

Is not this a marvellous showing? If not, it is at least an exhibition which no country in the world with a different method of control can present. The question of absolute quantity of spirits drunk per individual is not relevant. It is improvement in drinking habits which must be considered. In 1874, with but one leading company in possession of a monopoly of retail- and bar-trade within its circumscription (except five privileged licences which have not yet been given), Sweden occupied the second place as regards consumption of spirits per head amongst the twelve most civilised countries of the world. To-day her place is about half-way down the list. That this result has been reached against the formidable hindrances of national customs and of climate brings powerful testimony in favour of the system. Credit cannot be given to Governmental control of manufacture, because private distilling was abolished nearly twenty years earlier—*i.e.*, in 1855. Let it be remembered, too, that only 60 per cent. of the entire sales of spirits in Sweden (companies have no monopoly of wholesale trade) is controlled by the companies.

Norway makes still better showing. National drinking customs were not so fixed as in Sweden, but the influences of climate are the same. The low limit of monopoly, extending only to $10\frac{1}{2}$ gallons at one purchase, has been a very serious handicap. Nevertheless, from 1876, when the companies began really to take root, to 1892, when they sold slightly more than half of all the spirits dispensed, **Norway,**

consumption per head diminished from 7 to $3\frac{1}{3}$ quarts, or, as if emulating the record of the sister kingdom, more than one-half. The following table gives the average consumption per individual, and the percentage of companies' sales each year.

1876-1892.	Years.	Total consumption per Inhabitant.	Per cent. of sales by Companies of total sales.	Years.	Total consumption per Inhabitant.	Per cent. of sales by Companies of total sales.
		Quarts.			Quarts.	
	1876	7·0	8·3	1885	3·7	31·9
	1877	6·3	14·8	1886	3·2	41·3
	1878	4·7	22·3	1887	3·0	43·4
	1879	3·4	24·5	1888	3·2	40·1
	1880	4·1	21·1	1889	3·4	41·8
	1881	3·2	30·1	1890	3·3	49·1
	1882	4·0	25·3	1891	3·8	42·9
	1883	3·5	34·1	1892	3·3	51·3
	1884	3·7	34·2			

**Evidence of
Concomitant
Variation,**

Concurrently with the growth of the company system there has been a notable diminution in the consumption of spirits per head. When the companies made one-twelfth of all the sales, the average individual drank seven quarts, reckoned at 50 per cent. of alcohol, per annum. When they did one-half of the business the same individual consumed but $3\frac{1}{3}$ quarts. Is there not here, again, strong ground for asserting that the Norwegian method of control has caused a notable decline in consumption?

*i.e. the Larger
the Sale by the
Companies,
the Smaller
the Consumption
per
Inhabitant.*

The decrease has not been steady from year to year. Variations have taken place notably between 1879 and 1880, between 1881 and 1882, and again in more recent years. Almost uniformly a rise in consumption per head has been accompanied by a relative decrease of business done during that year by the companies. Whatever was

the cause, the advance, therefore, could not have been due to any laxity on their part or to any greater drinking by their patrons. Let us note that in 1880 the companies sold but 21.1 per cent. of the total quantity, whereas in 1879 they dispensed 24.5 per cent. In the meantime consumption advanced from 3.4 to 4.1 quarts per inhabitant. Again, in 1881 they monopolised 30.1 per cent. of the total trade. The consumption per head was then 3.2 quarts; but in 1882, when the business declined to 25.3 per cent., consumption rose to 4 quarts. In 1887, when consumption per head was the lowest, the companies' proportion of total sales reached almost the highest point it has yet attained. With that proportion, absolutely the highest, as in 1892, individual consumption is infinitesimally near low-water mark. To-day spirit-drinking in relation to population is less current in Norway than in almost any other civilised country.

Divorcing money-making from the public-house and retail spirit business—in other words, the Scandinavian company plan—furnishes incontestably the reason why nations like Sweden and Norway, even though heavily handicapped by climate and hard-drinking customs, are nevertheless able to show a remarkable decrease in consumption, while other countries which allow private profits to be made are being slowly submerged by the alcoholic tide. The following diagram, taken from the report of the Massachusetts Legislative Commission, will repay careful study. In Mr. Koren's words, "tracing the growth of business done by the companies from the early beginning, we note concurrently with it a very marked diminution of consumption."*

**The Result of
eliminating
Private Profit.**

* See Appendix B, page 100.

Table showing Consumption of Spirits in Norway, 1876—1892.

CONSUMPTION OF SPIRITS IN NORWAY FROM 1876 TO 1892.

Years.	Total of consumption (quarts).	Sold by the Companies (quarts).	Percentage of sales by the Company.	Population.	Consumption per head (quarts).
1876	12,639,505·71	858,056·58	6·7	1,840,000	6·8
1877	14,402,136·43	1,388,061·52	12·1	1,865,000	6·1
1878	8,728,553·32	1,597,549·52	18·3	1,890,000	4·6
1879	6,379,509·24	1,284,117·92	20·1	1,916,000	3·3
1880	7,687,968·02	1,331,788·56	17·3	1,921,000	4·0
1881	5,976,929·35	1,459,814·96	24·4	1,921,000	3·1
1882	7,459,245·30	1,550,159·44	20·7	1,923,000	3·8
1883	6,549,505·86	1,832,058·24	27·9	1,928,000	3·3
1884	6,894,650·49	1,934,078·00	27·8	1,924,000	3·5
1885	7,047,132·30	1,844,520·56	26·3	1,959,000	3·5
1886	6,083,881·17	2,063,658·16	33·9	1,974,000	3·0
1887	5,737,643·25	2,045,146·48	35·6	1,979,000	2·8
1888	6,208,482·35	2,041,595·12	32·8	1,980,000	3·1
1889	6,529,930·49	2,239,671·44	34·2	1,986,000	3·2
1890	6,393,933·20	2,574,549·60	40·1	2,000,000	3·1
1891	7,749,910·16	3,238,911·45	42·9	2,014,000	3·8
1892	6,684,470·86	3,429,133·55	51·3	2,020,000	3·3

Are these coincidences purely accidental? He would be a bold man who would answer affirmatively.

Prohibitionist exponents of temperance have sometimes been misled into asserting that improved conditions in Norway and Sweden are most largely to be credited to the growth of total abstinence. The teetotallers are reliably estimated to number about 300,000 to 350,000 in the two countries. They constitute about 4 to 5 per cent. of the total population. If the marvellous decrease in consumption is due to them, there is no denying the fact that they must have been very hard drinkers previous to conversion. A supposition of this sort only serves to show the absurdity of the plea, especially when coupled with the fact that half of their number are women and children.

Total abstinence societies are growing in membership, and are exercising a certain amount of influence. That they are not more powerful is due to the fact that few amongst the really influential members of society are adherents.

If decreased consumption per head were due to the efforts of total abstainers, the results ought to be most evident during later times, because it is in recent years that they have grown in number and power. We have, on the contrary, a slight increase of liquor-drinking since 1887. It is so small as not to be worth noticing except to dispose of the claim before us. The phenomenon is undoubtedly due to improved economic conditions, as the statistics of small deposits in savings banks show that the masses of the people are in a better position to indulge themselves now than formerly. The company system in encouraging local option, in reducing temptation, in stamping drinking as a dangerous practice, and in struggling valiantly to reduce

Reduced Consumption in Sweden and Norway not due to Growth of Teetotal Bodies,—

For there is no Concomitant Variation between their Numbers and Amount of Spirits Consumed,

consumption to the lowest limits, ought rather to be considered as a factor in the extension of total abstinence. This is more just than to give an undue measure of credit for the good results accomplished to the propaganda and practice of a comparatively small coterie of advanced temperance reformers. One might quite as consistently argue that teetotal societies have accomplished nothing in the United States because liquor-drinking has advanced contemporaneously with their increase in membership and activity. Let us cheerfully accord to this body in Scandinavia a due meed of praise, especially where, as in some notable instances, they have worked harmoniously with officials of the local company to reduce drinking; but let us not credit them with feats they have not accomplished, and, in the very nature of things, could not accomplish.

**While Consumption of
Uncontrolled
Beer has Increased.**

If it is teetotalism which is chiefly reducing the consumption of spirits, why is it that the same effect is not seen in connection with beer? Drinking malt beverages in Sweden and Norway has increased, notwithstanding that they are relatively dearer than spirits. The historical background reveals a mistaken sentiment which urged beer-drinking as a temperance measure. The consequence is that beer, with an exception or two in Norway, is not yet included in the companies' monopoly, its sale is environed with no restrictions worthy of mention, and it has become the responsible factor in preventing a large decrease in drunkenness.

Economic conditions have not brought about decreased consumption per head. They play a part in yearly fluctuations, but as we have already seen, savings bank returns show that people could now drink more than formerly if they would. The growth of beer-drinking, a much

more expensive habit in Scandinavia, argues towards the same conclusion.

To the company system belongs the almost exclusive credit for reduced consumption per head. Elimination of money-making, decrease in places of sale, and almost every reasonable method of regulation that could be adopted, speak for themselves. Many leading firms of distillers and rectifiers of spirits in Sweden "openly state that there has been a constant and marked falling-off of consumption of domestic spirits, unaccompanied by a corresponding increase of importations, and attribute it exclusively to the wide adoption of the company system." Foreign diplomatic and consular representatives and local police and administrative officers testify with practical unanimity, and from a neutral standpoint, to the all-prevailing influence of the company plan for good. Religious sentiment, advancement of education, and the development of abstinence, fill a place which in another generation will be larger still. The company system has cleared the forest, and prepared the soil for them to take firmer root.

**Thus Credit
for
Reduced Con-
sumption due
to Company
System Alone.**

Most methods of controlling the liquor traffic yet devised break down when applied to large cities. Will the Scandinavian plan stand this supreme test? Let us see. Below are the statistics of sales by the Gothenburg company from 1874 to 1892 :—

**Difficulty Pre-
sented by
Large Cities.**

Company's
Sales in
Gothenburg,
1874-1892.

SALES OF SPIRITUOUS LIQUORS, ETC., BY THE GOTHENBURG BRANDY COMPANY.

Years.	Number of quarts of spirituous liquors sold.				Number of inhabitants in Gothenburg.	Number of quarts per inhabitant.			
	Brandy of all kinds.		Spirits of a higher-grade, bar trade.	Total quarts sold.		Brandy in bar trade.	Brandy at retail.	Higher-grade spirits in bar trade.	Total number of quarts per inhabitant.
	Bar trade.	Retail.							
1874-75	680,539.9	916,549.6	143,021.4	1,740,110.9	59,986	11.3	15.3	2.4	29.0
1875-76	711,225.4	988,574.6	145,996.1	1,845,796.0	61,505	11.6	16.1	2.4	30.0
1876-77	802,381.1	858,992.7	139,683.0	1,801,056.7	63,391	12.7	13.5	2.2	28.4
1877-78	818,504.8	776,771.2	126,554.6	1,721,830.6	65,697	12.5	11.8	1.9	26.2
1878-79	777,312.0	658,680.2	111,285.3	1,547,277.5	66,844	11.6	9.9	1.7	23.1
1879-80	701,864.2	658,085.8	101,942.1	1,461,892.1	68,477	10.2	9.6	1.5	21.3
1880-81	665,493.5	682,030.4	100,403.8	1,447,927.7	71,533	9.3	9.5	1.4	20.2
1881-82	595,962.1	658,675.9	103,456.1	1,358,094.3	72,555	8.2	9.1	1.4	18.7
1882-83	597,883.4	778,356.8	107,886.1	1,484,126.3	77,653	7.7	10.0	1.4	19.1
1883-84	623,621.2	822,833.0	106,808.4	1,553,262.6	80,811	7.7	10.2	1.3	19.2
1884-85	645,160.3	858,946.5	108,239.9	1,611,915.3	84,450	7.6	10.2	1.3	19.1
1885-86	668,385.2	887,651.0	99,465.9	1,655,502.1	88,230	7.6	10.1	1.1	18.8
1886-87	636,553.4	893,957.5	102,496.4	1,633,007.4	91,396	7.0	9.8	1.1	17.9
1887-88	641,537.4	926,987.6	102,039.8	1,670,564.8	94,370	6.8	9.8	1.1	17.7
1888-89	554,816.7	986,295.8	115,957.7	1,657,070.2	97,677	5.7	10.1	1.2	17.0
1889-90	564,368.9	1,025,180.1	125,119.3	1,714,668.4	101,502	5.6	10.1	1.2	16.9
1890-91	597,569.5	897,007.7	139,111.0	1,633,688.1	104,215	5.7	8.6	1.3	15.7
*1891-92	548,071.8	859,400.7	115,778.7	1,523,251.2	106,356	5.1	8.1	1.1	14.3

* The fiscal year ends on September 30.

During the period, the total sales of spirits declined more than one-half—29 quarts per inhabitant, to 14·3. There is a salutary diminution in all branches of the trade—bar, retail, and higher-grade spirits. Drinking in public-houses shows the largest relative decrease.

It has been objected that these figures do not give the total possible consumption of spirits in Gothenburg. That is true. There are five privileged licence-holders in the city, and statistical returns for them are needed. Mr. Koren, who was recently in Sweden in the interest of the Massachusetts Legislative Commission, has prepared a table which is here incorporated with a few remarks.

**Uncontrolled
Licences in
Gothenburg.**

“As the table given below,” says he, “differs somewhat from those given in other publications, it is well to state how it has been made up. In order to present as accurate figures of the consumption per head as possible, it is necessary to add to its population that of four suburbs—forming, in fact, part of the city, though formerly belonging to the country parishes—in which no sale of spirits whatever takes place. *The very large floating population (Gothenburg is the chief port of Sweden, as well as the base of supply for large country districts) has not been considered.* Secondly, to the quantity of liquor sold by the company has been added that disposed of by the licensees having ‘burgess’ rights,’ calculated according to the excise paid by them; also the quantity sold by the twenty-three wine merchants, according to the licence fees exacted from them by the company. But as these dealers estimate that at least one-half of their goods are shipped to points outside of the city, only one-half enters into our figures. From this quantity, however, has been deducted the quarts of higher-grade spirits sold by the company, which are always

**Mr. Koren's
Table**

purchased from the wine merchants. In order not to make the estimate too low, the quantity of higher-grade liquor bought by the privileged licensees from the same dealers has not been entered. The results thus obtained are as follows":—

Of Total Sales
in Gothen-
burg, 1875-
1892,

CONSUMPTION OF LIQUOR IN GOTHENBURG, 1875-1892.

Years.	Estimated population of Gothenburg and suburbs.	Sold by			Total Sales.	Consumption per Inhabitant.
		Company.	Five Privileged Licensees.	Wine Merchants.		
		Quarts.	Quarts.	Quarts.	Quarts.	Quarts.
1875	64,978	1,740,110·8	28,209·8	323,582·7	2,269,490·1	34·9
1876	66,847	1,844,739·1	28,209·8	323,582·7	2,380,431·6	35·6
1877	69,083	1,801,056·7	30,422·0	282,097·7	2,269,119·6	32·8
1878	71,749	1,721,830·6	30,422·0	323,582·7	2,288,132·8	31·8
1879	73,256	1,547,276·5	34,570·6	298,691·7	2,077,288·5	28·3
1880	75,264	1,461,892·5	34,570·6	241,304·2	1,878,667·4	24·9
1881	78,695	1,447,927·7	34,570·6	241,995·6	1,863,033·5	23·6
1882	80,117	1,358,094·2	35,953·4	253,063·4	1,802,288·1	22·4
1883	85,615	1,484,126·3	35,953·4	280,714·5	1,692,908·2	19·7
1884	89,173	1,553,262·6	40,102·0	288,011·7	1,774,567·9	19·9
1885	93,212	1,611,915·3	40,102·0	284,863·0	1,834,640·4	19·6
1886	97,392	1,655,502·1	42,268·0	271,035·1	1,869,339·3	19·1
1887	100,958	1,633,007·4	40,683·0	219,793·6	1,790,987·6	17·7
1888	104,332	1,670,564·8	44,909·8	219,793·6	1,833,228·4	17·5
1889	108,039	1,657,070·2	44,381·4	215,038·5	1,800,532·4	16·6
1890	112,264	1,714,668·3	67,628·8	215,038·5	1,872,216·3	16·6
1891	115,377	1,633,688·6	50,827·3	214,510·1	1,764,915·0	15
1892	117,918	1,523,251·2	53,891·7	214,510·1	1,675,874·3	

To Both
Inhabitants,

The facts in this table are even more favourable to the company than the preceding one. The decrease in spirits drunk in Gothenburg is considerably more than one-half from 1875 to 1892. But no tabular statement can do exact justice to *bona-fide* inhabitants. The average citizen, in 1892, did not drink 14·2 quarts of spirits. This is easily demonstrable inferentially, though not measurable statistic-

And Extra-
Local Con-
sumers,

ally. Gothenburg is a large seaport, and a prominent centre of trade and distribution. There is always a large transient population, the sailor and fishermen elements of which are hard drinkers. As a seaport town, provisioning of steam, sail, and fishing-vessels is largely carried on ; and this for our present discussion is a very important matter. Dr. Sigfrid Wieselgren, than whom there is no higher authority in Sweden, illustrates the position of Gothenburg by another striking instance :—

“In the province of Westmanland there are four little towns, of which the two larger are Westerås, with a population of a little more than 8,000, and Sala, with about 6,000 inhabitants. In both these towns there are ‘brandy companies,’ which, during the year 1891-92, sold respectively 350,763 and 326,130 litres—*i.e.*, about 43 litres per head of the population in Westerås, and about 54 litres per head in Sala. Now, are we to believe that there is such an enormous consumption of spirits in these two towns? By no means. The great sale of these companies is very easily accounted for by the fact that in the whole province there is only one licence for the sale of spirits in the country. The sale of spirits in the above-mentioned towns thus represents the greater part of the consumption of spirits in the whole province. And the consumption per head of the population in the whole province is found to be 7·24 litres.

“Now, if the method of identifying the sale of spirits in a certain place with the consumption of spirits in the same place is unreasonable with regard to Westerås and Sala, it is quite as unreasonable with regard to Gothenburg. According to the same calculation as in the former case, the consumption of spirits in the province of Gothenburg was for the year in question 8·50 litres per head,”

**Statistics of
Sales in any
Town Unfair
to Local Con-
sumers.**

The statistics of sales by companies in any town are not a fair measure of individual consumption amongst citizens. The more important the city is as a trade centre, and the wider the area of no-licence country districts to which it is tributary, the greater must be the allowance made. Even the small towns suffer in proportion. The advance of prohibition, or practical no-licence, in the country districts, has cast on them a burden, so far as published statistics of drink consumption is concerned, which they are not entitled to bear. Non-understanding of this fact has led to foolish statements comparing, for example, the consumption of spirits in Gothenburg with other places outside the country. *Bonâ-fide* residents in Gothenburg and Stockholm, in Bergen and Christiania, in reality, drink little, if any, more than their compatriots, though statistically, from force of circumstances, they are made to appear less temperate.

**Number of
Licences.**

The beneficial effects of the operation of the company are set forth in the following table, taken from the annual report of the brandy company. Possessing 170 licences to sell over the bar, in the year 1892, it made use of but 63 on its own account for the sale of native spirits, transferring 80 to other parties, to be utilised in traffic in higher-grade liquors. Twenty-seven it did not utilise at all. As regards retail licences, possessing 90, it made use of 27, transferred 51, and made no use of 12.

**Uniform
Decrease of
Consumption.**

The sale of liquor over the bar in 1877, when the company first came into existence, was 14·61 quarts per inhabitant. Successive years mark an almost uniform decline, until the last fiscal year reached low-water mark at 6·49 quarts per head. In the same way, the retail sales have declined from 13·46 quarts per inhabitant in

1877 to 7·91 quarts at the time when the last annual report was prepared. Taking these two together, we find that the total consumption per inhabitant, which in 1877 was 28·07 quarts, now amounts to but a little more than half this amount, namely, 14·40 quarts.

Below are statistics of sales of the Stockholm company, **Stockholm.** both as regards absolute quantities and number of quarts per inhabitant, since its organisation.

QUANTITY OF LIQUOR SOLD PER INHABITANT FROM OCTOBER 1, 1877, TO SEPTEMBER 30, 1892.

**Table of Sales
by Company
1877-1892.**

Years.	Inhabitants.	Quarts of liquor sold.	Quarts per Inhabitant.		
			At bar- trade places.	At retail places.	Total.
1877-78...	153,528	4,308,789·60	14·61	13·46	28·07
1878-79...	161,722	4,082,591·47	13·88	11·36	25·24
1879-80...	163,040	4,104,705·20	13·47	11·71	25·18
1880-81...	167,868	4,145,625·09	13·82	10·88	24·70
1881-82...	174,702	4,072,594·04	13·10	10·21	23·31
1882-83...	182,358	3,913,585·51	9·82	11·64	21·46
1883-84...	190,842	3,710,518·19	9·01	10·43	19·44
1884-85...	200,781	3,947,429·19	9·04	10·62	19·66
1885-86...	211,139	3,788,666·87	8·02	9·92	17·94
1886-87...	216,807	3,775,410·36	7·79	9·62	17·41
1887-88...	221,549	3,645,743·65	7·51	8·94	16·45
1888-89...	228,118	3,574,102·90	6·99	8·68	15·67
1889-90...	236,350	3,722,899·61	6·86	8·88	15·74
1890-91...	245,317	3,643,581·12	6·68	8·18	14·86
1891-92...	248,051	3,573,512·13	6·49	7·91	14·40

The preceding table does not include the sales made by the sub-licensees. The fees paid by the latter vary somewhat in proportion to the business done. As the amounts received annually by the company for its concessions show a decrease rather than an increase, it seems reasonable to

suppose that there has been no increase in the amount of liquor consumed on the premises of sub-licensees.

**Total Sales,
1882-1892.**

Borrowing the table from the report of the Massachusetts Legislative Commission, which has been made up on a similar basis to the one already quoted for Gothenburg, slightly different figures are reached. The lesson is the same. There has been a marked reduction in individual consumption of spirits. The table covers only the ten-year period from 1882 to 1892.

CONSUMPTION OF LIQUOR IN STOCKHOLM, 1882-1892.

Years.	Estimated population of Stockholm and sur- rounding districts.	Sold by Company.	Estimated Sales of Private Dealers.	Total.	Con- sumption per In- habitant.
		Quarts.	Quarts.	Quarts.	
1882-83...	240,725	3,913,585·51	1,690,720	5,604,305·51	23·28
1883-84...	250,149	3,710,518·19	1,690,720	5,401,238·19	21·59
1884-85...	261,089	3,947,429·19	1,690,720	5,638,149·19	21·59
1885-86...	271,928	3,788,666·87	1,690,720	5,479,386·87	20·15
1886-87...	279,583	3,775,410·36	1,690,720	5,466,130·36	19·55
1887-88...	284,764	3,645,743·65	1,690,720	5,336,463·65	18·73
1888-89...	292,070	3,574,102·90	1,637,885	5,211,987·90	17·84
1889-90...	300,860	3,722,899·61	1,690,720	5,413,619·61	17·99
1890-91...	304,094	3,643,581·12	1,585,050	5,228,631·12	17·19
1891-92...	308,528	3,573,512·13	1,585,050	5,158,562·13	16·71

These figures are far from just to the citizens of Stockholm. Only the inhabitants of the eight surrounding parishes have been added to those of the city proper. No account whatever has been taken of the floating population.

The history of the formation of the Stockholm company possesses some interest because of the successful application of the principle of compensation.

**Compensation
at Stockholm.**

About the same time that the Gothenburg company commenced its operations the authorities at Stockholm,

moved by the increase of drunkenness in their midst, commenced to consider the question of how far the company system might be applied with them. When the municipal council first looked into the matter they found that 367 permanent licences existed ; of this number 135 were privileged, and most of them were founded upon burges3 rights. None of the latter class could be taken away without the consent or the death of the possessor, and, in the case of those holding upon "burgess rights," until the decease of the wife of the one possessing the privilege. A commission was appointed to consider the legality of the basis on which a part of the permanent licences reposed. They reported in favour of a plan allowing life-pensions of not more than £27 10s. annually to holders of licences by "burgess rights" who would surrender the privilege. Later a somewhat smaller sum, £24 15s., was offered to the holders of other permanent licences as an annuity. As might have been expected, this offer did not meet with much success, for the reason that the suggested compensation was inadequate. Furthermore, no account was taken of the value of separate businesses. All who possessed "burgess rights" did not naturally derive the same income, while as regards permanent licences, some would certainly be more favourably situated than others. It is, therefore, not astonishing that in 1875 there still remained 146 permanent licences, of which 77 were founded on burges3 rights, which had not been surrendered for the annuities proposed. These, of course, were the most valuable franchises, and probably would never be surrendered unless some greater advantage were offered. Another method was now tried. Instead of waiting for the licensees to take the initiative, the commission set to

work to make private arrangements with each individual holder, and with such success that in a fortnight's time they were able to announce that they held in their hands the agreements of 133 licensees to renounce their privileges in consideration of life annuities—which, in the case of “burgess rights,” was to be extended to the wife—varying from £27 10s. to £110. The total sum thus given for the possession of these 133 licences constituted an annual charge upon the municipal treasury at the outset of £6,829 6s. So quietly had the matter been arranged, that no opportunity was given for combination in order to increase the price. The remaining thirteen who still held out were, therefore, speedily brought to terms on most advantageous conditions to the city.

When the company began operations in October, 1877, with a complete monopoly of all licences for the conduct of the retail and bar sale of spirituous liquors in the city, it seemed to be handicapped with the large annual charge upon it for compensation to the expropriated licence-holders. In fact, many wiseacres at the time predicted financial disaster, but the results of the first year, after paying all expenses and 6 per cent. dividend to the stockholders, showed sufficient surplus to provide for the compensation fund for a considerable period in advance. The annual charge on this account has diminished from year to year, as the old licence-holders have died off, till eight only survive at the present day.

**Christiania
Compensation.**

Christiania, the capital of Norway, and a city now numbering about 170,000 people, possesses a brandy company which was organised in July, 1885.

Previous to this there were seventy-two saloon licences in operation, the holders of which also sold liquor to a

considerable extent in bottles. Part of these privileges were held for life, and could only be taken under the expropriation proceedings authorised by the law of 1880, which gave a life annuity to the previous possessor equal to the average annual profit on his business during the three preceding years. The bar-trade licences now held by the company number twenty-seven, and the annual charge on account of compensation to holders of life licences amounted at the commencement to £1,210 14s. It has since been reduced to £715 8s., owing to the death of several to whom indemnities had been adjudged. The company to-day possesses the largest part of the bar trade of the city. It uses fifteen licences on its own account, and concedes twelve to private hotels and restaurants, whose owners have been approved as managers in the service of the company.

**To Holders of
Life Licences.**

Twenty-nine merchants in Christiania, the majority of whom are grocers, hold licences for retail and wholesale trade independently of the company. At first it was a question of expropriating these also, in order that the company might become the sole retail licensee, but after mature consideration it was decided to leave things as they were, since it was feared that too great a financial burden might ensue. The majority of the holders of these licences are now old men, and, in the natural course of affairs, at their death their privileges will pass to the possession of the company without payment.

**Twenty-nine
Licences Left
in Private
Hands,**

The existence of these licences is a serious drawback, as are also the special bar-privileges enjoyed by a theatre, an hotel, and two clubs. As a matter of fact, the company dispenses barely 40 per cent. of the spirits sold in bottles and over the bar. Consequently, it is not remarkable that the following table giving the consumption per head of the

**With
Unsatisfac-
tory Results.**

company's wares does not show a decline. There is, indeed, a slight advance. Whether or not more spirits are actually consumed in proportion to population now than formerly, cannot be estimated, as the figures of sale by the twenty-nine merchants, the clubs, the theatre, and the hotel for preceding years are not available. Such a proposition is not at all probable. If true, it would constitute an exception to experience elsewhere. The lesson to be drawn from the table is the importance of entrusting the company with a complete monopoly.

**Company's
Sales,
1886-1892.**

SALES FROM 1886 TO 1892.

Year.	Quarts of spirits sold.			Consumption per inhabitant.
	At bar-trade places.	At retail places.	Total.	
1886	169,848	129,033	298,881	Quarts. 2·2
1887	150,123	159,448	309,571	2·3
1888	165,466	184,054	349,520	2·5
1889	187,274	210,691	397,965	2·8
1890	192,380	207,785	400,165	2·6
1891	216,589	202,254	418,843	2·8
1892	215,796	232,050	448,046	2·7

The increase has been chiefly in the bottle trade, and upon this the growth of Christiania as a seaport and commercial centre has undoubtedly exercised an influence.

Bergen. We come next to Bergen, the second city in Norway and its chief seaport.

Statistics of the company's total sales are to be seen in the following table. In 1877, the year when operations were commenced, the total sales of spirituous liquors amounted to 282,128 quarts; in 1892, to 351,695 quarts. In the meantime, however, the population had augmented one-third, so that, notwithstanding the absolute increase, the consumption per inhabitant declined from 7 quarts in 1877 to 6·12 quarts in 1892. The decline is most noticeable

in dram drinking. Whereas in 1877 the average annual consumption under this head was 2·5 quarts per inhabitant, in 1892 it was 1·7 quarts.

SALES OF BRANDY IN BERGEN, 1877-1892.

**Company's
Sales,
1877-1892.**

Years.	Estimated population.	Number of Quarts.				Quarts per inhabitant.
		Sold in drams consumed at the bars.	Sold in bottles, not consumed on the premises.	Sold at chief ware- house, not consumed on the premises.	Total.	
1877 ...	40,760	103,566	166,810	11,752	282,128	7·0
1878 ...	41,512	90,962	140,689	7,933	239,584	5·8
1879 ...	42,280	73,812	134,291	8,389	216,492	5·1
1880 ...	43,062	68,508	136,010	8,123	212,641	4·9
1881 ...	43,858	73,574	147,603	8,526	229,703	5·2
1882 ...	44,669	77,569	156,654	7,025	241,248	5·4
1883 ...	45,493	78,744	160,126	7,064	245,934	5·4
1884 ...	46,332	81,853	165,761	7,083	254,697	5·5
1885 ...	47,995	83,719	159,820	6,091	249,630	5·2
1886 ...	48,335	85,629	154,500	11,893	252,022	5·2
1887 ...	49,623	86,924	146,220	21,446	254,590	5·1
1888 ..	50,902	84,569	139,961	26,351	250,881	5·0
1889 ...	52,252	86,286	153,052	28,421	267,759	5·1
1890 ...	53,686	88,844	177,652	30,894	297,390	5·5
1891 ...	55,112	97,101	195,108	39,133	331,342	6·0
1892 ...	56,513	101,406	204,825	45,464	351,695	6·2

It will be noticed, however, that since 1888 the sales per inhabitant have increased. One cannot necessarily say that local consumption has risen, in view of the enormously increased tourist traffic to Norway in recent years, of which Bergen is the chief point of debarkment, the visits of the British and German fleets, and the enhanced wholesale business of the company. From 1887 to 1892 wholesale sales increased 112 per cent., and no part of them can be credited to local consumption. There was likewise an advance of 40 per cent. during the same years in the bottle

**Increase since
1888 due to
External
Consumption.**

trade, a very large part of which was not at all due to local consumption, but to the tourist traffic. From 1887 to 1892 sales over the bar increased only 14 per cent., or in exactly the same proportion as the advance in population, this, too, notwithstanding the presence of at least 2,500 additional foreign seamen.

**Total
Consumption
in Bergen,
1877-1892.**

Mr. Koren has prepared the following table, in which he has deducted quarter of the sales annually as extra-local consumption. This estimate, in my opinion, errs on the side of conservatism, as applied to present conditions. But even if my view be incorrect, the proportion to-day is certainly much greater than it was during the first few years of the company's existence. There has really been a greater decline than the table makes evident.

CONSUMPTION OF LIQUOR IN BERGEN FROM 1877 TO 1892.

Year.	Esti- mated popula- tion.	Consumed at the bars.	Sold in bottles at retail stores.	Sold at chief ware- houses at retail.	Total, deducting one-fourth.	Average consump- tion at bar per inhab- itant.	Total average consump- tion per inhab- itant.
		Quarts.	Quarts.	Quarts.	Quarts.	Quarts.	Quarts.
1877	40,760	103,566	166,810	11,752	211,596	2.58	5.19
1878	41,512	90,962	140,689	7,933	179,691	2.22	4.32
1879	42,280	73,812	134,291	8,389	162,369	1.79	3.84
1880	43,062	68,508	136,010	8,123	159,480.7	1.61	3.7
1881	43,858	73,574	147,603	8,526	172,277.2	1.70	3.92
1882	44,669	77,569	156,654	7,025	180,936	1.74	4.05
1883	45,493	78,744	160,126	7,064	184,450.5	1.73	4.05
1884	46,332	81,853	165,761	7,083	191,022.7	1.76	4.12
1885	47,995	83,719	159,820	6,091	187,222.5	1.79	3.90
1886	48,335	85,629	154,200	11,893	189,016.5	1.76	3.91
1887	49,623	86,924	146,220	21,146	190,717.5	1.74	3.84
1888	50,902	84,569	139,961	26,351	188,160.7	1.65	3.69
1889	52,252	86,286	153,052	28,421	200,819.2	1.64	3.84
1890	53,686	88,844	177,652	30,894	223,042.5	1.64	4.15
1891	55,112	97,100	195,109	39,133	248,506.5	1.75	4.50
1892	56,513	101,406	204,825	45,464	263,772.4	1.79	4.66

The late Mr. Thomas M. Wilson, of Bergen, gave in the *Labour Prophet* for September, 1893, an interesting account of the operation of the company system in Christianssand, which is here reproduced. He says :—

“The first Norwegian controlling society was established in the town of Christianssand, and commenced to operate on 1st January, 1872. The population of the town was 11,600, and the population of the rural district, which drew its supply of spirits from the town, was approximately 53,000. Both populations may be described as having been very intemperate. Only the urban population, of course, became directly subject to the society’s control, while the rural population continued to have spirits in wholesale quantities despatched into the country for home consumption as before, the society being unable to exercise control on that wholesale trade. In 1872 the entire wholesale consumption of spirits supplied by private wholesale traders was 78,897 litres, and by the society 10,263 litres: together, 89,160 litres. The total consumption of spirits in Christianssand and the rural district, wholesale and retail, was, in 1872, 224,627 litres, while the corresponding consumption had fallen in 1892 to 133,806 litres, that is equal to a reduction of more than 40 per cent. In 1892 the consumption was unduly increased, in consequence of a very large influx of the roughest class of labourers, that followed upon the commencement of the construction of a railway and a conflagration that destroyed half the town. If we compare the consumption of 1891 with that of 1872, and that is, under the circumstances, the truest guide, we find that the consumption in 1891 was 115,890 litres, or a reduction of a little more than 48 per cent.

“The society’s share stock is Kr. 40,000-00 (£2,222),

Christianssand.

Formation of Company, and Resulting Decreased Consumption

Share Stock.

but only half has been called up. The working capital is therefore only £1,111, and was held in 1892 by 68 shareholders. The net profit on the capital employed was, in the first year's operations, Kr. 48,270·70 (£2,682), or close upon 342 per cent.

**Number of
Licences.**

"The number of municipal spirit licences was fixed at eight. The society acquired the monopoly of them, but only exercised five, and have since reduced the number to four. It now has three ordinary spirit bars, and one shop for sale in bottles and wholesale quantities.

**Reduction of
Crime, etc.**

"The reduction in consumption that followed on the introduction of control was immediately accompanied by results connected with crime, poor relief, savings banks, increased consumption of current domestic necessities, etc., which all indicated great benefits derived from control. For instance, the annual average of criminal cases for the five preceding years was 71, and it fell at once to 47. The annual average of police offences connected with drunkenness was, in the five preceding years, 97, and it at once fell to 56. Cases of picking the pockets of intoxicated persons, previously a common offence, entirely ceased.

**Hours of
Business.**

"At first the society kept its premises open for the full hours permitted by the licensing law—viz., from 8 a.m. till 10 p.m., that is, 14 hours. Now it only keeps them open for 9½ hours—viz., 9 a.m. till noon, and 1.30 till 8 p.m.—the shop being closed at 7.30 p.m.

"The Christianssand Society's bar sales, which in 1872 were 41,376 litres, had fallen in 1876 to 32,387 litres, although the total sales, which in 1872 were 224,627 litres, had risen in 1876 to 269,046 litres. The times had in that quinquennial period been very flourishing, especially in the rural district. There was abundance of employment at previously unknown high wages; yet it is a striking and satisfactory

circumstance to note that, in spite of the increased total consumption, the bar sales were greatly reduced, as it is the bar sales that afford the truest guide to the effects of control.

"In the 21 years the society has operated it has earned net profits to the amount of £54,724 2s. 9d., which all has gone, or will yet go, to support objects of public benefit and utility, which are not statutory burdens on the local taxpayers. To show the nature of the objects of "public benefit and utility," I will name a few:—Workmen's Union Evening School; School of Cookery; Board and Lodging for Diligent Board School Children during their Holidays in the Country; Christianssand School of Industry; Christianssand Technical School; Boys' Industrial School; Workmen's Union Library; Cathedral School Library and Museum; Board Schools Pupils' Library; Town's Library; numerous Abstinence Societies, Good Templar lodges, and Blue Ribbonmen Societies; Sick Nurses' Institution; Magdalene's Refuge; Discharged Female Prisoners' Homes; Prisoners' Aid Society; Public Sea Baths for Men; Public Sea Baths for Women; Quay Labourers' Waiting Rooms; Workmen's Union Sick Fund; Industrial Society for Needy Women; Workmen's Union Asylum; numerous Asylums for Children, and a host of other similar beneficial objects too numerous to detail here.

**Net Profits,
and their
Expenditure.**

"The burgomaster and the superintendant of police, and the British and U.S. America consuls in Christianssand, have been good enough to favour me quite recently with their opinions in writing of what the local controlling society has effected, and they unanimously report that the operations of the society have unquestionably been of immense benefit in the promotion of temperance and sobriety in the locality.

**Favourable
Testimonies.**

"Personally, I have known this town well for 34 years, and my experience quite coincides with that of the four gentlemen named."

The Massachusetts Legislative Commission has published a table giving a *resumé* of consumption per head during the different years. It differs somewhat in the estimation of the number of persons within the area of the company's operations. Like Mr. Wilson, Mr. Koren attributes the sharp rise in bar drinking during 1892 to the influx of labourers employed in rebuilding the town after the disastrous fire.

**Consumption
of Liquor,
1872-1892.**

CONSUMPTION OF LIQUOR IN CHRISTIANSSAND, 1872-1892.

Years.	Estimated population of Chris- tianssand and Country Districts.	Sold by the Company			Sold by others at wholesale.	Total.	Average con- sumption per in- habitant.
		Over the bars.	At retail.	At whole- sale.			
		Quarts.	Quarts.	Quarts.	Quarts.	Quarts.	Quarts.
1872	31,897	42,874	97,498	10,635	81,753	232,760	7·29
1873	32,225	46,103	111,742	12,808	126,040	296,693	9·20
1874	32,405	41,314	127,187	6,075	152,110	326,636	10·08
1875	32,737	38,294	137,284	11,575	123,746	310,879	9·49
1876	32,998	33,560	128,871	6,768	109,589	278,789	8·44
1877	33,316	37,965	125,977	2,763	116,502	283,207	8·50
1878	33,501	40,849	109,046	2,227	45,452	197,424	5·89
1879	33,630	37,072	88,694	2,212	49,664	177,642	5·28
1880	33,894	38,354	86,168	1,020	38,064	163,609	4·82
1881	34,164	35,699	94,143	1,689	26,090	157,621	4·61
1882	34,471	21,826·1	100,167·8	2,370·2	36,877·8	161,241·9	4·67
1883	34,684	16,439	102,413·3	3,107·8	48,859·7	170,819·8	4·92
1884	34,992	15,415	102,493·6	2,287·8	18,611·7	138,808·2	3·96
1885	35,214	16,578·6	97,859·9	1,192·0	49,513·8	165,144·3	4·68
1886	35,262	14,715·6	96,275·9	578·0	21,869·5	133,439	3·77
1887	35,316	13,134·8	88,157·3	681·6	20,757·8	122,731·5	3·47
1888	35,516	13,202·3	86,323·9	528·4	21,899·1	121,953·7	3·43
1889	35,721	13,626·1	87,317·2	365·6	12,652·9	113,961·8	3·19
1890	35,878	14,866·6	100,580·9	696·4	12,664·5	128,788·4	3·58
1891	36,178	18,220·7	98,049·1	253·6	5,937·6	122,461	3·38
1892	37,000	23,265·5	114,917·1	675·2	2,134·5	140,982·7	3·81

The number of licences exploited furnishes in a measure a criterion of the companies' efforts to reduce temptation and to restrict consumption. When the system was inaugurated in 1871 the number of public-house licences in existence in Norwegian towns and cities was 501, to-day but 227 are utilised. Companies have the legal right to use nearly the original number, but they refrain from doing so in the public interest. Expressed in the form of proportion to inhabitants, the reduction has been from 1 for 591 to 1 for 1,413 persons. In the whole country district of Norway but 25 licences for the sale of spirits remain—1 to about 8,000 people. Half of these are at the fishing stations in the North.

**Unused
Licences in
Norway.**

Statistics for Sweden are not available far enough back to show the full measure of improvement. In 1880 there were 692 inhabitants to one licence to sell spirits (both retail and bar licences are included); in 1892 there was but one licence to every 1,073 people. In the country districts the respective rates during the same period were 1 for 13,450, and 1 for 22,526 persons.

Following are tables for Gothenburg, Stockholm, and Bergen. They speak for themselves.

**Proportion of
Licences to
Population.**

GOTHENBURG.

Gothenburg ; LICENCES USED AND POPULATION COMPARED FROM OCTOBER 1, 1865,
TO SEPTEMBER 30, 1893.

Years.	Population of Gothen- burg.	Licences used for consumption on the premises.		Retail licences used by the company.		Retail licences transferred to wine merchants for the sale of higher- grade spirits.	
		Number.	Per 10,000 in- habitants	Number.	Per 10,000 in- habitants	Number.	Per 10,000 in- habitants
1865-66	45,750	23	5.0	—	—	—	—
1866-67	47,332	28	5.9	—	—	—	—
1867-68	47,898	30	6.3	—	—	—	—
1868-69	50,438	43	8.5	—	—	—	—
1869-70	52,526	42	8.0	—	—	—	—
1870-71	53,822	43	8.0	—	—	—	—
1871-72	55,110	42	7.6	—	—	—	—
1872-73	55,986	42	7.5	—	—	—	—
1873-74	56,909	41	7.2	—	—	—	—
1874-75	58,307	35	6.0	7	1.2	13	2.2
1875-76	59,986	36	6.0	7	1.2	13	2.2
1876-77	61,505	38	6.2	7	1.1	13	2.1
1877-78	63,391	38	6.0	7	1.1	15	2.4
1878-79	65,697	40	6.1	7	1.1	16	2.4
1879-80	66,844	39	5.8	7	1.0	18	2.7
1880-81	68,477	40	5.8	7	1.0	17	2.5
1881-82	71,533	40	5.6	7	1.0	19	2.7
1882-83	72,555	40	5.5	7	1.0	22	3.0
1883-84	77,653	38	4.9	7	.9	23	3.0
1884-85	80,811	39	4.8	7	.9	23	2.8
1885-86	84,450	40	4.7	7	.8	22	2.6
1886-87	88,230	40	4.5	7	.8	23	2.6
1887-88	91,396	40	4.4	7	.8	23	2.5
1888-89	94,370	40	4.2	7	.7	23	2.4
1889-90	97,677	40	4.1	7	.7	23	2.4
1890-91	101,502	40	3.9	7	.7	23	2.3
1891-92	104,215	40	3.8	7	.7	23	2.2
1892-93	106,356	40	3.8	7	.7	23	2.2

Since October 1, 1868, the company has held all the licences for consumption on the premises, with the exception of four houses which have ancient and special privilege for serving superior liquors principally, and from October 1, 1874, all the retail licences have been in the hands of the company.

LICENCES IN STOCKHOLM, 1886-1892.

Stockholm ;

Year.	Bar-trade.				Retail.				Licences used per 1,000 inhabitants.			
	Used by company.	Transferred by company to others for sale of higher-grade spirits.	Unused.	Total.	Used by company.	Transferred by company to others for sale of higher-grade spirits.	Unused.	Total.	Bar-trade.		Retail.	
									Com-pany.	Trans-ferred.	Com-pany.	Trans-ferred.

ERRATA.

Page 55, first table, for "Licences used per 1,000 inhabitants," read "per 10,000 inhabitants."

Page 75, line 10, for "*Farmer*," read "*Forum*."

Page 79, line 9, for "Local limitation," read "Legal limitation."

1877...	40,760	14	60	—	3·5	15·0
1878...	41,512	14	60	—	—	—
1879...	42,280	14	60	—	—	—
1880...	43,062	13	60	—	—	—
1881...	43,858	13	60	—	—	—
1882...	44,669	13	60	—	—	—
1883...	45,493	13	58	2	—	—
1884...	46,332	13	57	3	—	—
1885...	47,995	13	56	4	—	—
1886...	48,335	13	56	4	—	—
1887...	49,623	13	56	4	—	—
1888...	50,902	13	56	4	—	—
1889...	52,252	13	56	4	—	—
1890...	53,686	13	56	4	—	—
1891...	55,112	13	56	4	2·4	10·4

GOTHENBURG.

Gothenburg; LICENCES USED AND POPULATION COMPARED FROM OCTOBER 1, 1866,
TO SEPTEMBER 30, 1893.

Years.	Population of Gothen- burg.	Licences used for consumption on the premises.		Retail licences used by the company.		Retail licences transferred to wine merchants for the sale of higher- grade spirits.	
			Per		Per		Per
1866-86	84,450	40	4·7	7	·8	22	2·6
1886-87	88,230	40	4·5	7	·8	23	2·6
1887-88	91,396	40	4·4	7	·8	23	2·5
1888-89	94,370	40	4·2	7	·7	23	2·4
1889-90	97,677	40	4·1	7	·7	23	2·4
1890-91	101,502	40	3·9	7	·7	23	2·3
1891-92	104,215	40	3·8	7	·7	23	2·2
1892-93	106,356	40	3·8	7	·7	23	2·2

Since October 1, 1868, the company has held all the licences for consumption on the premises, with the exception of four houses which have ancient and special privilege for serving superior liquors principally, and from October 1, 1874, all the retail licences have been in the hands of the company.

LICENCES IN STOCKHOLM, 1886-1892.

Stockholm ;

Year.	Bar-trade.				Retail.				Licences used per 1,000 inhabitants.			
	Used by company.	Transferred by company to others for sale of higher-grade spirits.	Unused.	Total.	Used by company.	Transferred by company to others for sale of higher-grade spirits.	Unused.	Total.	Bar-trade.		Retail.	
									Com-pany.	Trans-ferred.	Com-pany.	Trans-ferred.
1886-7	67	83	20	170	27	51	12	90	3·1	3·8	1·2	2·4
1887-8	67	86	17	170	27	51	12	90	—	—	—	—
1888-9	66	84	20	170	27	51	12	90	—	—	—	—
1889-90	65	86	19	170	27	51	12	90	—	—	—	—
1890-1	64	84	22	170	27	51	12	90	—	—	—	—
1891-2	63	80	27	170	27	51	12	90	2·5	3·2	1·1	2·1
1892-3	63	80	27	170	—	—	10	90	—	—	—	—

LICENCES IN BERGEN, 1877-1891.

Bergen ;

Year.	Popula- tion.	Bar-trade and retail licences for sale of spirits monopolised by the company.	Licences to private in- dividuals for sale of wine and beer by grant or privilege.	Licences to the company for sale of wine and beer.	Licences per 10,000 Inhabitants.	
					For sale of spirits held by company.	For sale of wine and beer held by private indi- viduals.
1877...	40,760	14	60	—	3·5	15·0
1878...	41,512	14	60	—	—	—
1879...	42,280	14	60	—	—	—
1880...	43,062	13	60	—	—	—
1881...	43,858	13	60	—	—	—
1882...	44,669	13	60	—	—	—
1883...	45,493	13	58	2	—	—
1884...	46,332	13	57	3	—	—
1885...	47,995	13	56	4	—	—
1886...	48,335	13	56	4	—	—
1887...	49,623	13	56	4	—	—
1888...	50,902	13	56	4	—	—
1889...	52,252	13	56	4	—	—
1890...	53,686	13	56	4	—	—
1891...	55,112	13	56	4	2·4	10·4

Entrance of the company upon the field of action has undoubtedly prevented the licences granted to private individuals for the sale of wine and beer over the bar from keeping pace with the advance in population.

**Christiania
and Chris-
tianssand.**

In Christiania and in Christianssand, under the old *régime*, the ratio of public-house licences to population was 1 to 1,816 and 1 to 1,274. In 1892 the respective proportions were 1 to 5,516 and 1 to 2,566. Compare the figures for these five Scandinavian towns with cities of the same size in England and America, and note the difference.

**Police
Statistics of
Arrests for
Drunkenness.**

Only the merest tyro in statistical science would attempt to gauge the efficiency of any method for controlling the liquor traffic by the number of arrests for drunkenness. Especially will well-informed persons refrain from making international comparisons. Laws relating to drunkenness differ materially, and there is still greater variance of police practice in dealing with offenders. In Sweden the law requires that a person showing signs of being fuddled shall be taken up. Anglo-Saxon policy is based on the exhibition of utter helplessness or disorderly conduct. Regulations apportioning a part of the fines to police funds furnish an artificial incentive, while the progressive popular intolerance of inebriety which accompanies a reforming *régime*, plays likewise a most important part. Published statistics of drunkenness are usually valueless, because they are rarely differentiated to show how many times the same person was arrested. Only such figures can indicate whether the actual number of persons drinking to excess is on the increase, or whether professional tipplers are simply indulging more freely. Furthermore, the area to which any system applies must

be studied as a whole, and not individual districts alone. It is evident that, if there be no licence in the country, and licence in the towns, the former's more jovial inhabitants will utilise occasional visits to the cities to drink to excess. Statistically, though not really, such offences belong to the places where they are committed.*

Statistics of drunkenness in Norway are not published for the kingdom as a whole. In Sweden the number of convictions declined from 6·7 per 1,000 inhabitants in 1874 to 4·3 in 1891. For cities of prominence the advance of prohibition in surrounding country districts has added to the burden, but the prime cause of increase, where such has taken place, is the uncontrolled consumption of beer. All reliable authorities agree in this estimate, and their opinions are confirmed by the statistics of beer drinking. Consumption of malt liquors, which advanced in Sweden from 16 quarts per inhabitant in 1874 to 28·2 quarts in 1890, and in Norway from 16·9 quarts per inhabitant in 1871 to 31·2 quarts in 1891, cannot have been without potent influence. Is decreased consumption of spirits, which are sold under strict regulation, or increased consumption of beer, which is dispensed without restrictions, in the nature of things, more likely to account for drunkenness?

**Which is
largely due to
Uncontrolled
Beer,—**

Returning again to the relation of drunkenness to the company system, the opinion of those in positions of administrative authority, where good opportunities exist for correct judgment, is that, compared with previous conditions, the effect of the existing *régime* has been to bring about a notable decline in drunkenness and a very marked improvement in general sobriety. The governors of provinces in their last quinquennial reports submitted

**And is Notably
Diminishing.**

* See Appendix C, page 101.

answers to inquiries in this direction. Twenty-one of them responded that drunkenness had considerably diminished in their respective regions, one that the situation had remained unchanged, one that drunkenness had not diminished, and two that it was difficult to form an opinion. The testimony of experience, whether from those favourably or unfavourably inclined to particular features of the Scandinavian system, is that it has undoubtedly effected an important reform in drinking habits, particularly of working people.

**Statistics of
Pauperism**

Statistics of pauperism abound with even more treacherous pitfalls for the unwary. Everywhere public sense of responsibility towards the unfortunate has deepened during the last three or four decades. The logical result is that this class is not only better cared for, but more are being helped. To find the pauper constituency statistically advancing does not necessarily argue deterioration of habit, growing failure of self-respect, or the application of sentimental methods in relief. The concentration of population in urban centres represents in large degree a flocking together of the unfit. Here public institutions to care for those who fail in life's struggle exist in great variety.

**Complicated
by Different
Methods.**

Methods of enumerating the poor differ in various countries and at different periods. As an illustration, in Sweden, during recent years, those receiving gratuitous hospital or dispensary treatment figure in the pauper record. Take another case showing divergence in systems of registration. In Gothenburg, if the head of a family is helped by having his rent paid from the poor rate, the whole family are inscribed as paupers. Supposing there are eight children, and that both parents are alive, there would be ten recipients of relief. If rents were paid in this

manner monthly, during eight months the record would show eighty paupers; if weekly, during the same period about 350. Figures which indicate that one person in every nine inhabitants of a thriving commercial city is a pauper ought to arouse suspicion in any discerning mind. Yet the totals have been accepted and quoted by adverse critics in England and the United States as evidence that somehow or other unparalleled poverty is closely connected with the company system.

Crime bears a positive relation to drink, but the terms of this relation cannot be mathematically expressed. There is always a tendency among the lapsed, who especially appreciate the value of sympathy, to lay all their misfortunes to tippling.

In concluding this chapter, a word may be offered on the subject of the surplus revenues arising from the sale of drink. The Norwegian method of distribution possesses one strikingly meritorious quality. Ownership of a share of capital stock carries with it the right to vote for representatives on the committee of management, to which belongs the function of apportionment. Public interest in the operation of the company is thus widened. It is not far from axiomatic truth to say that whenever civic spirit is aroused, and the attention of that class of the community which makes philanthropy a preoccupation is enlisted, particular objects of scrutiny will behave circumspectly.

In the distribution of surplus revenues under the company system three principal objects should receive generous recognition. The first of these is education, not in its general but in its special phases. Part of the revenues should be appropriated to found kindergartens, manual training schools, and schools of industrial art. Kinder-

Crime.

**Merit of
Norwegian
Method of
Distributing
Profits.**

**Objects
Claiming
Special Re-
cognition :
(a) Education
of Children ;**

gartens are selected because results testify unimpeachably to the useful moral effects of their training. What other agency can boast of a record like that of the San Francisco kindergartens? An investigation, following ten thousand children in after-life, has disclosed the astounding fact that only one kindergarten child has been arrested.

**(b) Technical
Schools ;**

Manual training institutions invite support because a boy whose eyes and hands are early trained to translate ideas into material objects is not likely later to become a burden to society, through inability to earn a living. His mechanical aptitudes become so much capital. Industrial art schools have a claim, in order that scope may be given young women as well as young men to develop higher industrial capacities.

Kindergarten and manual training have received too scanty recognition in Anglo-Saxon educational polity. The one represents the ethical, the other the industrial element in education. Neglect of home-training during the period when the character is chiefly formed, and that environment of childhood inimical to sound physical and moral development which obtains in every large city, emphasise the importance of the one, as the economic benefits of superior craftship delineate the advantages of the other.

**(c) The Social
Entertain-
ment and
Recreation of
the People.**

Urban public-houses minister in two respects to the working-man. They are labour exchanges and social centres. To abolish these without providing substitutes would be rank injustice. Therefore it becomes necessary to apportion a generous share of the profits of liquor companies for this purpose. To carry out this idea, it is only necessary to have in the same building, or next-door to the company's liquor-shop, a coffee-house and rooms for reading

and entertainment, as well as for hire for social gatherings. Let as many as possible of the recreative features of a gentleman's club be introduced. The public-house proper should be closed promptly at 7 o'clock, so that, from this time on, the annexe may be the rallying-ground. Soft drinks, light refreshments, newspapers, pool and billiards, draughts and chess, smoking and conversation, should be elements in the entertainment. If possible, the attractiveness of the well-equipped modern public-house should be outdone. Let these privileges accompany the purchase of a soft drink or a portion of refreshment, and the American free lunch of to-day will never be regretfully recalled.

There ought also to be liberal appropriations for popular evening concerts. These should be held at frequent intervals in different parts of a city, so as to be easily accessible to everybody. The admission fee should be such as the working-man and his family could readily support, and the inevitable deficit made up by subsidies from the liquor fund. The popularisation of music and art is of great civilising importance. Its sociological import, too, is of the highest. It reacts favourably upon family life, and saves male members from the unfortunate or evil associations surrounding public-house and cheap music-hall entertainments. No class of persons stand in greater need of recreation than working-people, yet to no other is so little available. The conditions of city life need to be vastly ameliorated in this and other ways before there can be an appreciable diminution of drinking.

CHAPTER III.

THE COMPANY SYSTEM THE BEST METHOD OF CONTROL.

Advantages of the Scandinavian System : It may not be out of place to preface this final chapter with a brief summary of the advantages and disadvantages of the Scandinavian system of control.

Elimination of Private Profit. 1. The supreme advantage of the company system is the elimination of private profit from liquor-selling. Through this means, what we may regard as at best a dangerous traffic is taken from the hands of a self-seeking class of persons, frequently of a low type, and always, perhaps, endowed with an imperfect sense of moral responsibility, and given to an organisation representing disinterested public welfare. The business is then carried on with a view of reducing consumption to the lowest possible limits. Not infrequently, as in the case of the Gothenburg company under the administration of Dr. Sigfrid Wieselgren, the directing authority is composed of men who abominate the whole business and take charge only from a sense of public duty, and in order that they may minimise the evils and ultimately extinguish them. I think no company can give better evidence of its philanthropic aim than to place its direction in the hands of a sensible temperance man, nor ought any high-minded abstainer to shrink from the task. If liquor must be sold—and few, even of the most ardent Prohibitionists, will deny that it will continue to be for some time yet—is it not vastly better to take the traffic from the control of the present lower

element of society, representing but moderate intelligence and inferior moral perception, and place it in the hands of reputable men with no economic interest to serve? Is it not also better to apply the vast profits of the business which now go to enrich a dangerous class, to corrupt politics and to debase social life, to objects of general public utility and towards lessening the burdens entailed by strong drink?*

2. A conspicuous merit is the complete divorcing of the liquor traffic from politics. In these countries the elimination of the liquor element as a political power is complete. The shareholders in the companies are, as a rule, prominent citizens—in Gothenburg, for example, some of the very best known—and this can be said of all the larger communities. In none of them have shares become so concentrated that anything like a particular interest could be created. It is true that in some of the smaller towns of Sweden minor abuses have not been effectually guarded against; but, under the stricter regulations in Norway, pernicious methods of administration are unknown. The employees who deal directly with the practical details of the companies' business are simply paid servants, and none of them, so far as can be learned, hold any position whatever under the city or local governments or have friends or backers therein. Charges of "ring" politics in connection with liquor companies may be completely discounted. Especially in Norway is the divorce absolute and complete.

**Liquor Traffic
Divorced from
Politics.**

3. The company monopoly has been so administered that a general reduction of the number of licences has been brought about everywhere. This means lessening of temptation to drink. The appropriate facts have already been

**Number of
Licences
Reduced.**

* See Appendix B, page 100.

adverted to in the previous chapter, and need not be reiterated. Certainly no nation in the world can show such a low ratio of licences to population as can Sweden and Norway. Side by side with the reduction of licences there has been a marked improvement in the character of the public-houses. The sites chosen have been, as a rule, in public places, and they are thus open to the most rigid scrutiny. In Sweden, where sub-licensing is resorted to, the police authorities uniformly avail themselves of the right afforded in the contracts made by the companies with sub-licensees to impose conditions which put an effectual stop to gambling or immoral practices in places where liquor is sold. It is an important advantage that the companies are directly amenable to public authority and public opinion for the exercise of their trust.

**Safeguards
Provided
Against
Abuses.**

4. A series of efficient checks is interposed against breach of trust, supposing that under the company system there may exist an inclination to commit it. In the first place, the final decision concerning all matters in Sweden, for example, rests with the governor, who is an officer appointed by the crown, and a man of high character and wide administrative knowledge. Secondly, the licences hold good only during the governor's pleasure. In Norway a faithless corporation may be brought immediately to task simply by the threat of extinguishing it. As has been already shown, this was effectually carried out in the case of one company which was inclined to place the economic interests of the municipality above the social interests of its inhabitants. Thirdly, an efficient co-operation is established between the company and police officials. Blackmail and bribery under such circumstances become an impossibility. Fourthly, the disposition of profits,

whether under the Swedish or the Norwegian plan, are so provided for that fair dealing only can ensue. Fifthly, the general conduct of the business is always open to public inspection and criticism. The requirement that printed reports of the transactions of the companies in Norway shall be published every year, is a salutary measure. Sixthly, the company monopoly secures strict enforcement of legal and police regulations in relation to the liquor traffic.

5. The companies have in some measure gone beyond the legal requirements in the line of public interest, thus emphasising their desire to contribute to the public weal. This has been manifest particularly in raising the age of minority from fifteen, where the laws puts it, to eighteen, as regards selling drink to young persons, and also in insisting upon immediate cash payment for liquors sold. Again, they have gradually advanced the price of drinks, at the same time reducing their alcoholic contents. Stringent regulations against loitering around public-houses are also characteristic of Norwegian prescriptions.

6. Early closing under the company system has become a fixed practice. In Norway saloons are closed on Sundays and at those periods of the day when the working-man is most tempted to drink. It is impossible for him to spend his leisure moments carousing at bars, and thus be almost involuntarily led to squander hard-earned wages. Nothing whatever is found in Norwegian saloons which invites to conviviality. Generally there are no seats, and the regulations, which personal observation leads me to say are enforced, are all designed for the orderly conduct of the business, and render drinking to excess a very difficult matter.

**Public
Interests are
furthered by
Companies
beyond Legal
Require-
ments.**

**Early and
Sunday
Closing.**

**Interests of
Employees
and the
Public made
Identical.**

7. Employees being paid fixed salaries, fair in amount, and Civil Service principles being established in promotion, there is not the same temptation to push the sale of drink ; on the contrary, it is made distinctly an object to act otherwise.

**No Evasion
of Taxation,
nor tendency
towards
Municipal
Cupidity.**

8. All taxes are paid under the company system—a merit which cannot be predicated of every licensing *régime*. The charge has sometimes been made that the company system has stimulated municipal cupidity. This is groundless. There is a natural and impossible limit to cupidity of this sort which, if overpassed, will bring ruin to any community. Municipal cupidity would mean stimulation of consumption, but the statistical data quoted in the last chapter show that consumption per head has notably diminished in both Sweden and Norway under the company *régime*. Were the municipalities anxious to make money directly out of the liquor traffic, the excise tax on the consumption—which, in Sweden, goes entirely to the municipal treasury, apart from the profits of sale in which the municipality has only a share, and in Norway to the poor fund, a municipal burden, would be more liberally estimated than it is. The revocation of the charter of the Langesund company furnishes further refutation of this charge.

**Sub-licensing
in Norway
and Sweden.**

9. A distinctive merit of the Norwegian plan is, that indiscriminate sub-licensing is unknown. Such privileges are granted only as public interest may require, and where an effectual control can be exercised against abuse. In Sweden, where sub-licensing prevails, a good-sized fee is usually required. In Gothenburg about £140 per annum is the average charge exacted for a sub-licence.

10. The assistance rendered, financially and otherwise, in

promoting the cause of temperance. In Norway a moderate sum is annually expended in subsidising temperance societies. In several localities, particularly in Norway, cordial co-operation exists between agencies for the spread of teetotalism and the companies.

Financial Aid rendered to Temperance Work.

11. The attitude of the temperance party is particularly important. Were the companies not succeeding in their avowed aim and accomplishing successfully the huge task of restricting the evils of the traffic, total abstainers would become their most earnest opponents. On the contrary, while they do not desire the system as a permanency, it is equally true that all of the more intelligent abstainers regard it as a salutary agency of progressive reform. There are 30 total abstainers amongst the 238 members of the Lower House of the Swedish Parliament. These, with 40 others, have voted in favour of a prohibitory *régime*, but they have never officially clamoured for the abolition of the existing system. The leader of the prohibition party in the Lower House, in a letter to me, made use of these significant words: "As to my personal view of the results of the Gothenburg system, I will merely add that, with all its defects, it is vastly preferable to free trade in liquors, or to the ordinary licensing systems." Dr. Wieselgren, President of the Swedish Temperance Society, is the most doughty champion of the plan. In Norway, Mr. H. E. Berner, of Christiania, is not only the best authority on the company system, but also one of its most ardent exponents. He is the authority for saying that "a great mass of abstainers have vigorously united in supporting a proposition recently formulated by a royal commission, which does not advocate abolishing the companies, but would grant them a complete monopoly of

The System has won the approval of the Temperance Party,

all sales of spirits." He also says that "the regulations of the companies must be regarded as having worked successfully, and contributed greatly to restrict drunkenness, while the profits have generally been devoted to the promotion of enlightenment, morality, and proper social spirit." Much capital has been made out of the passage of a resolution at the annual session of the Norwegian Grand Lodge of Good Templars, in 1893, which was unfavourable to the company system. The fact has since transpired that this slipped through without the full knowledge of the meeting, and the committee on resolutions has since refused to acknowledge it.

**Whose
Leaders**

Mr. Lars O. Jensen, who is one of the most prominent members of the order, and at present Right Worthy Grand Templar for Norway, the representative of the society to the recent International Alcoholic Congress at the Hague, and the editor for Norway of the "*Internationale Monatschrift*," thus writes (his letter is in my possession) concerning the matter in question: "This resolution is now, I think, generally considered a mistake, even among the Good Templars themselves. An old temperance man who is very much opposed to the company system sent a letter to the meeting asking it to adopt the said resolution, which it did. The resolution condemned the system in that it declared that it had failed to materially decrease the consumption of alcoholic liquors. This same old gentleman wrote to the annual meetings of the Norwegian Total Abstinence Society and the Blue Ribbon Army, but at these meetings no such resolution was carried. As to the attitude of the representative temperance men, I refer you to my paper read before the International Alcoholic Congress at the Hague in 1890. I do think that they

almost unanimously favour the company system as against individual licensing, and in this very year (1894) they have done their utmost to have the company system more fully carried out through the law just passed by Parliament." Mr. Sven Narrestad, a member of the Norwegian Parliament, and editor of the official organ of the Norwegian Total Abstinence Society, has also shown his good feeling by assisting Mr. Berner in passing the new amendments to the Norwegian law which will enable the companies to operate more effectively. The attitude of such influential spokesmen of the temperance parties of Sweden and Norway will be deemed by any rational man as fairly conclusive testimony. It must not be supposed that total abstainers are completely satisfied with the plan. They believe, however, that it is the best measure for progressive advance, and their efforts are directed to reforms in matters of detail rather than to changing the principle. They believe that the educational influence of the *régime* will, in the course of time, make prohibition a possibility. Messrs. Berner and Narrestad, particularly, are positive in their statements that the company system is not a hindrance, but a help to ultimate prohibition. Mr. Berner writes, "this view seems also to be acknowledged by the Norwegian Total Abstinence Society with its 100,000 members, for at its great annual meeting at Christiania last August the warmest thanks were officially voted to Mr. Narrestad and myself for having done our best in passing the new law to more fully carry out the company system." The present efforts of the Scandinavian temperance parties are directed particularly towards divorcing the sale of beer from that of all other merchandise, extending the company monopoly to cover fermented as well

**Press for an
Extension of
the Powers
of the
Companies.**

as spirituous beverages, and changing the law so that after a certain number of years it will be illegal to sell any drink containing more than 25 per cent. of alcohol.

**Reports of
Home and
Foreign Offi-
cials and Re-
presentatives
are unani-
mously Fa-
vourable, with
the Exception
of one Trebly
Discredited
Report by Mr.
Michell.**

12. The highest police and administrative officials, as well as foreign and consular diplomatic representatives, have almost unanimously testified in favour of the company system. The former characterise the difference between the individual licensing plan of previous years and the present *régime* as "the difference between night and day." The one noteworthy exception to the favourable views of consular officers is found in the superficial and misleading report of Mr. T. Michell, the British Consul-General at Christiania. This report precipitated an event which speaks volumes for favourable public opinion in Norway. The Press teemed with protests, and Mr. Berner was requested by the Norwegian Minister for Home Affairs to prepare an official answer, which was later transmitted to the British Foreign Office. Mr. Berner's reply is complete, and effectually disposes of the gross misrepresentation of facts which Mr. Michell's report contained. The Minister for Home Affairs himself forwards a letter of denial to Councillor D. M. Stevenson, of Glasgow, which was published in the *Herald* of that city under the date of April 25th, 1893. No further notice, I think, need be accorded Mr. Michell's misleading report, except to remark that when a document is officially repudiated directly by one government and indirectly by another, in addition to being protested against by the writer's resident compatriots, it is high time that all who prize fairness and uprightness in controversy should cease quoting it.

**Once
Tried, Never
Abandoned.**

13. An undeniably strong evidence of the efficiency of the Scandinavian method of controlling the liquor traffic, is,

that no single community which has ever tried it has afterwards abandoned it.

There are certain disadvantages, arising chiefly from defects in the law, not from maladministration. For these the companies are in no wise responsible. **Legal Defects.**

1. The company monopoly does not extend far enough. In order to achieve a maximum of benefit, fermented beverages must also be included. As has already been pointed out in the discussion of the causes of drunkenness during recent years, one effect of restraining spirit-drinking has been the development of a wider consumption of beer. This is all the more serious since women drink it to a considerable extent, whereas only rarely are they consumers of spirits. Beer, too, is brewed much stronger than formerly. This want of control over the manufacture and sale of beer is a serious drawback. Fortunately, this is so generally recognised that we may expect an early change of policy in both Sweden and Norway. **Control Incomplete**

2. A second legal defect is that at present the bottle trade in wine and beer in towns and country districts is conducted in connection with general business, and without special licence. This privilege is bound soon to be abrogated. It is greatly to the credit of the companies that more than half of them in Norway have acquired control of the bar-trade in beer. They have done this voluntarily, and at considerable financial loss. The present law does not permit companies to monopolise more than the bar-trade. **And not Inclusive of Wine and Beer.**

3. A serious defect in the Norwegian law is that the limit for wholesale sales is fixed far too low. Swedish practice in this regard is much better. Norwegian statistics show that about three-fifths of all the liquors sold **Norwegian Wholesale Limit too low.**

in that country are destined presumably for home consumption. The limit ($10\frac{1}{2}$ gallons) is sufficiently low to permit grocers to sell spirits to their customers at a minimum figure and cheaper than the companies' rates. They can do this because only a general-business licence is required to sell spirits at wholesale. Spirits sold in this way are exempt from the regular municipal tax of about 7d. per gallon. Wholesale sales represent consumption in country districts where prohibition prevails. People club together and purchase a cask of $11\frac{1}{2}$ gallons. Dividing the contents is not illegal, provided the money has been collected before the liquor is bought.

Steps
already
taken to
remedy these
defects.

A royal commission appointed in 1888 has suggested remedies for the defects enumerated under 1, 2, and 3. Their recommendations have recently been incorporated in a new law. Much then that has been said above does not now apply; but the statement was necessary in order to account for certain abuses which have arisen. A full statement in reference to the new law cannot now be made, as the copy of the measure is not at hand. Mr. H. E. Berner is, however, engaged in preparing a commentary which will soon be available to English readers. It is a significant testimony to the sense of moral guardianship of the public interests felt by the companies that they have exercised a potent influence in favour of the new reforms.

Special
defects of
Swedish
System.

4. Defects in the Swedish, as distinguished from the Norwegian, method, may be summarised as follows:—

(a) Less perfect governmental supervision over the business of the companies than exists in Norway—a fact which is responsible for neglect of public interests in a few places, chiefly smaller towns

(b) Permitting the sale of beer and spirits on the same premises, and in general allowing employees to reap pecuniary benefit from the former.

(c) Permitting, even under the restrictions which exist, the sale of spirits on Sundays and holidays.

5. A drawback which rarely appears, but which fairness compels me to mention, is, that in a few instances the question of profits has been made undeniably conspicuous. These are indeed notable exceptions to the well-nigh universal rule. Attention is called to their existence in order to make more apparent the contrast. The danger can be easily averted by arranging for a strong system of central supervision. It is safe to say that the alertness of temperance sentiment in England and the United States would not permit of the smallest evil of this sort. A triennial referendum would keep every company up to its professions.

**In Rare
Instances
Question of
Profits too
Conspicuous.**

Certain advanced temperance reformers, not satisfied with evolutionary progress, express the fear that the company system may please too well, and that it may become a permanency. Such people should re-read the fable of the dog with a bone who saw his shadow in the stream. We have seen already that Messrs, Berner, Narrestad, and other temperance leaders regard the Scandinavian method as the precursor to something better still when society shall have been fitted to receive it. So also do all well-informed persons, no matter of what shade of opinion, reject the notion that liquor-selling has been made more respectable under the company régime. Individual testimony is peculiarly positive on this point, and besides, numerous evidences exist in support of the view. One alone need be cited, as in itself it is fairly conclusive. It refers to

**Opposition
of some
Advanced
Temperance
Reformers,**

**In the Face of
Conclusive
Evidence of
Reduced
Consumption.**

decline in the bar-trade. In Gothenburg the quantity of spirits sold over the bar in 1874 represented a consumption of 11·3 quarts per head of population ; in 1892 it was 5·1 quarts, considerably less than half. In Stockholm the appropriate figures are 14·61 quarts during the first year of the company's operations, and 6·49 quarts for 1892. In the Norwegian cities of Bergen and Christianssand the same phenomena are apparent. The record for the former in 1877 was 2·5 quarts per inhabitant ; in 1892 1·7 quarts. For the latter 1·34 quarts, in 1872, and 0·63 quarts twenty years later. Returns from smaller towns in the two countries teach the same lesson.

**Drinking has
not been
rendered
"Respect-
able" by the
Company
System,**

The late Mr. Thomas M. Wilson, whose 35 years of residence in Norway entitled him to speak authoritatively, says, "No persons of the better class would dream of going into a company's bar, and the respectable working class, desirous of maintaining their position, avoid them like poison. The fact that customers are subjected to control, and may be refused supply at the discretion of the bar-keeper, has stamped the company's bars, in the opinion of all classes, as something of a reformatory nature, and they are avoided by all with any pretensions to respectability and self-respect." Dr. Wieselgren is equally positive, averring that when one meets with the assertion that the Scandinavian method has made liquor-drinking respectable, one may safely reply that "such has not been the case in Sweden and Norway : the possibility of it is to us an incomprehensible saying."

**Nor has Home
Consumption
Increased.**

Reduced drinking at the bar has not been accompanied with increased consumption at home. The figures for retail sale show also a decline, though not in the same proportion.

The pith of the whole matter resides here. In the present stages of social evolution no system can be devised which will completely eradicate the evils to which the drink-traffic necessarily gives rise; but so long as spirits are allowed to be manufactured and sold, the Scandinavian method of control is the only practical one to adopt. The justice of my assertion is made clear by reference to the experience of the United States, which has been a peculiarly fertile field of experiment. This experience I have fully related in the *Farmer* for November, 1894, and the salient features are here reproduced.*

**Superiority of
Scandinavian
System
evidenced by
Failure of
American Ex-
periments
in—**

In seven American commonwealths what is known as prohibition is the prevailing form of control. This term indicates the withdrawing the right to manufacture and sell spirituous and malt beverages from domiciled residents within the borders. In the sense in which it is incorporated in American practice, it does not further attempt to regulate the conduct of individual citizens. A man may buy liquor in another State and have it shipped to him, provided it is destined for his own private use. Still more, he may purchase it surreptitiously from a fellow-resident without rendering himself liable to punishment. It is the manufacturer and the seller, not the consumer of drink, who are placed under the ban. Prohibition is now the law of seven States—Maine, New Hampshire, Vermont, Iowa, Kansas, North Dakota, and South Dakota. Four of these—Maine, Kansas, and the two Dakotas—have prohibition amendments to their constitutions. Prohibition has been tried and abandoned in Delaware, Rhode Island, Massachusetts, Connecticut, Indiana, Nebraska, New York, Illinois, and Ohio.

**(a) Prohibi-
tion,**

**Which has
been Tried and
Abandoned,**

All the States in which prohibitory legislation obtains

* See Appendix D, page 103.

Except in
more or less
sparsely
populated
Districts ;

Is Danger-
ously Liable
to produce
Disrespect
for Law ;

And, by
becoming
a Party
Question, to
degrade
Politics.

to-day are relatively sparsely populated. The largest urban community in any of them is the city of Des Moines, Iowa, which contains 50,093 people, according to the last census. But it is in large cities where the liquor traffic is hardest to control. Therefore I think it is perfectly fair to make answer to the friends of prohibition, that the soundness of their views has not been sufficiently apparent from practical experiments. Massachusetts, Rhode Island, New York, Illinois, and Ohio are States containing large city populations, and these have abandoned the prohibitory *régime*.

The chief difficulty with all restrictive measures directed against social vices, is to secure their enforcement—or, indeed, their moderate observance—in urban centres. People should take account of this, remembering that virtue can never be inculcated by legal enactment. Its springs are in the human heart, and before they will flow they must be struck with the rod of a quickened intelligence. Marching too far in advance of public sentiment always renders success problematical. Depositing the ballot is too often accompanied on our part by a thrill of satisfaction that duty has been done, whereas it should be understood as having been only just begun. We should reflect that a majority vote for prohibition establishes a new legal misdemeanour, and that, unless there is hearty and effective cooperation to secure enforcement, damage is more likely to be done than good accomplished. Disrespect for law is the most dangerous of all things under a democratic form of government ; and those who assist in making laws which, for one reason or another, cannot be enforced, assume weighty responsibilities.

The control of the liquor traffic is a moral and social question, and has no place in the arena of politics. It is

greatly to be feared that making prohibition a political issue has compelled the liquor interests to seek political means of defence. But whatever the cause, the result has been an alliance with the dominant party, or the lower elements of both political parties, which has degraded American politics to the lowest depths.

Another favourite American method of dealing with the liquor traffic has been through local option. This, by many, is called prohibition in its more rational form. The advantages claimed are that the limited area to which it applies renders its introduction easier. There is not only a strong local feeling behind it, but concentration of attention upon a limited territory with a greater likelihood of rigorous enforcement. Again, the movement advances slowly, and ground once gained rarely has to be surrendered.

(b) Local
Option

Local option represents evolutionary advance, whereas prohibition is cataclysmic. Opponents of local option enumerate amongst its drawbacks—

1. That drinking is made a local question, whereas it ought to be considered from a national point of view.

2. The ethical basis of the problem is lowered to that of mere expediency.

Confined to
Country
Districts,

3. It has only been successful in practice in country districts, and then at the expense of adjoining neighbourhoods.

Local option has been tried in several States. Better results seem to have been achieved in Massachusetts than elsewhere. In several of the Southern States, also, a feeling of satisfaction with its operation has been expressed, though generally the areas to which it has been confined are almost exclusively country districts. The experiences of Michigan

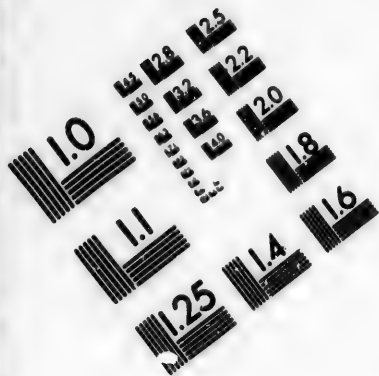
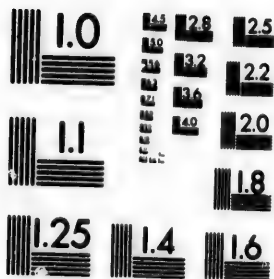
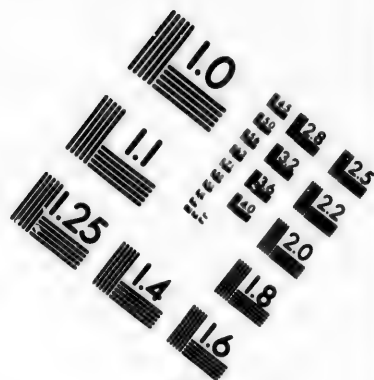


IMAGE EVALUATION TEST TARGET (MT-3)



And Harmful outside its own Area; and Missouri give a reverse side to the picture. In the former commonwealth an important contention of critics seems to have been justified. The ratio of licences to population in areas not under local option increased during the last census-period 8 per cent.

(c) High-Licence High-licence is the method most in favour for large cities where restrictive measures have been practised at all. Advocates claim that it is the only effective form of control as demonstrated by experience. It may be applied to places where prohibition and local option would both fail, and it reduces the number of public-houses within measurable limits, both as to number and geographical situation.

Decreases Number of Drink-Shops, It is true that, where a really high-licence fee has been charged, dram-shops have notably decreased. In Omaha, in 1881, the licence fee was raised from £20 to £200. At that time the ratio of licences to population was 1 to 267. In 1891 it was 1 to 600. The experience of St. Paul is almost equally significant. During the six years from 1886 to 1892, when a similar change took place, the ratio of licences to population declined from 1 to 152 to 1 for 368. In Philadelphia results have been even more remarkable. Previous to the enactment of the Brooks law in 1888, there was one licence to every 160 inhabitants. In 1891 the proportion was 1 to 600. This favourable statistical showing, be it noted, applies to three States where the licence fee is fixed at £200. Other high-licence cities require only £100, and it is undeniably true that no such conspicuously useful results have there been attained. There seems to be somewhere a normal limit of efficiency, and whenever the sum charged is below the line the useful effects of control are lessened,

Perhaps the most effective form of high-licence prevails in Pennsylvania and Massachusetts. To my mind there are two reasons for this. In the first-named State, while the number of permits is not limited by law, complete discretion is vested in the licensing commission, which is constituted of judges in courts of secondary instance. Massachusetts has recourse to limitation, Boston being allowed one licence to every 500 of population, and every other city one licence to every 1,000 persons. Local limitation of number, and especially a high-class commission of judges, are features which should accompany every high-licence régime.

Opponents of this plan dispute the fact that it has been much of a success anywhere. Again, they assert that it forges more closely the alliance between liquor and politics. Licensing boards have usually a distinct political element in their composition, so that in the distribution of privileges political bidders may be properly looked after. Furthermore, it is alleged that consolidation of liquor interests more readily occurs, and "tied houses" become substitutes for individual tap-rooms. Finally, those who take the high ground that licence fees represent blood-money, so to speak, contend that enhanced revenues are a salve to the conscience of the weak-kneed brother and lessen his practical interest in the suppression of liquor-drinking.

**But
strengthens
Alliance
between
Liquor Trade
and Politics ;**

The latest form of experiment is that inaugurated by South Carolina under the law of December 24, 1892. The constitutionality of this measure has just been affirmed by the Supreme Court of the State. Private liquor-selling is abolished, and a State dispensary system substituted. At least one of these dispensaries is opened in every county not

**(d)Dispensary
System of
South
Carolina.**

under local option, and in the cities of Charleston and Columbia more are provided for. A State board of control, composed of the governor, comptroller-general, and attorney-general, is the highest business authority. A State commissioner, who is believed to be an abstainer, is appointed by this body, as well as county boards of control, which are composed of three members serving for two years, and who are likewise teetotalers. Dispensaries are opened by the county boards of control upon motion of a majority of freehold voters. The State commissioner purchases the liquors (under a saving political clause which gives preference to manufactures and brewers doing business in the State), and the State chemist analyses the beverages to see if they are pure. They are then done up in packets varying from five gallons to one half-pint in size, shipped to the county dispensaries, and sold at prices not exceeding 50 per cent. profit. Considerable formality is required in the purchase of drink. The dispenser must demand of his would-be client a written or printed request, properly dated, stating the age and residence of the signer for whose use the liquor is requested, as well as the quantity and kind required. The certificate is then attested and put on file.

**Advantages
claimed for it
by Governor
Tillman.**

At first glance one would think that a law which lengthened the time between drinks would not be very popular with a South Carolina governor. The present incumbent, however, in his last annual message, urges the following claims in support of his dispensary system:—

“1. The element of personal profit destroyed, thereby removing the incentive to increased sales.

“2. A pure article is guaranteed, and it is subject to chemical analysis.

"3. The consumer obtains honest measure of standard strength.

"4. Treating is stopped, as the bottles are not opened on the premises.

"5. It is sold only in the daytime.

"6. The concomitants of ice, sugar, lemons, etc., being removed, there is not the same inclination to drink remaining. The closing of the public-house, especially at night, and the prohibition of sale by the drink, destroys the inducements and seductions which have caused so many men and boys to be led astray and enter on the downward course.

"7. It is sold only for cash, and there is no longer chalking up for daily drinks against pay-day. The working-man buys his bottle of whisky on Saturday night, and carries the rest of his wages home.

"8. The local whisky-rings, which have been a curse to every municipality in the State, and have always controlled municipal elections, have been torn up root and branch, and the influence of the bar-keeper as a political manipulator is absolutely destroyed. The police, removed from the control of this debauching element, will enforce the law against evildoing with more vigour, and a higher tone and greater purity in all governmental affairs must result."

Were the history of this unique measure not so well known, the contentions of Governor Tillman might be more generally accepted. It is a fact that the plan had its origin in an effort to raise revenue, not in the virtuous desire to reduce the consumption of drink. Prohibitionists were cajoled into its support by promises that the coming enactment would be a stepping-stone to their ideal. It is much to be feared that the local whisky-rings which the

**Origin of
Measure,**

governor denounces may give place to a State politico-liquor machine. The claim that the consumer will obtain an honest measure of drink, standard in strength and quality, may have local grounds for favour, but one can hardly accept it as possessing great moral weight. Taking away from the tippler his ice, his lemons, and his sugar, may be a hardship; but it is not a positively reformatory measure—the shadow departs, but the substance remains. But selling only in the daytime and for cash, the abolition of treating, weeding-out gambling-dens and other immoral concomitants of the saloon, are undoubted advantages.

There has been an absurd confounding, in the minds of many people, of this South Carolina experiment with the Scandinavian system of controlling the liquor traffic. Points of similarity do exist, but modes of operation and effects are quite different. The cardinal principle of the South Carolina plan is State monopoly of all sale of drink; that of the Norwegian is local control through commercial companies, organised often by the best and most patriotic citizens, who renounce all profits and take merely the ordinary rate of interest on the small amount of capital invested. Wherein both of the plans agree, and where both, in my judgment, strike at the root of the whole matter, is in eliminating private profit from liquor-selling. But here the parallel ceases. These local companies in Norway engage in the traffic in order that they may control it and restrict it until such time as municipalities may do away with licensing for liquor-selling altogether. So well has their aim succeeded, that the vast majority of the inhabitants of the Scandinavian peninsula are to-day under a no-licence *régime*. In South Carolina the profits go to the State, and the very conception of the measure reposed

Which must
not be con-
founded with
Scandinavian
System :
1. Points of
Difference ;

on the idea of relief to taxpayers. Indeed, Governor Tillman apologetically remarks that the revenues are not yet as high as they will be. A State monopoly makes liquor-selling a part of the machinery of the Government, and therefore gives to it a more or less permanent existence. The essence of the other plan is liberty to abolish the traffic whenever a community is ready, but, in the meantime, to regulate it so that the least possible damage may be done. Another most significant difference between the two systems is that State dispensaries involve regulation of the traffic by political appointees. In Norway every vestige and semblance of political influence is eliminated. Indeed, to my mind, this absolute separation which has been practically effected between liquor and politics is a conspicuous merit. Again, Scandinavian control brings about progressive reform by educating public opinion. The South Carolina plan, being nearly prohibitive in character, is a measure too far in advance of public opinion to be accepted and enforced to-day.

The minor points of similarity represent borrowings from Scandinavian practice. They include reduction in the number of places of sale, early closing, selling only for cash, and furnishing pure liquor. Presumably, also, gambling and immorality are divorced from dispensaries as they are in every instance from the company's liquor-shops in Sweden and Norway. The South Carolina plan offers avenues of political interference and possibilities of corrupt exploitation. Revenue and partisan convenience may easily become dominant motives. In these vital features it must be distinguished from the Scandinavian system, from which it is often popularly and erroneously supposed to have borrowed likeness.

**2. Points of
Similarity.**

**Non-effective-
ness of any of
these Methods
to reduce
Consumption**

Notwithstanding the variety of American experiments in controlling the drink traffic, results show in a general way that practically nothing has been accomplished. In 1850 the consumption of all kinds of liquor averaged 4.08 gallons per inhabitant; in 1892 it was 17.04 gallons, considerably more than a fourfold increase. During this period the consumption of spirits diminished, it is true, from $2\frac{1}{4}$ to $1\frac{1}{2}$ gallons per head, but beer-drinking shows an advance from 1.58 to 15.10 gallons per head of population. Wine-drinking increased only slightly, viz., from 0.27 to 0.44 gallons per head. Taking the year 1874—chosen because at that time the oldest Swedish company, the Gothenburg, secured the licences for the retail sales of spirits in addition to the bar-trade, which was conceded it in 1865—and making a comparison with the present, the consumption of spirits and wines in the United States has remained stationary, but beer-drinking has very much more than doubled. It is true that during the last half-century the United States has received large accessions of populations from countries where beer is the national beverage, and doubtless it will be said that since spirit-drinking has not advanced it is unfair to assume a deterioration in habits. It must be conceded, however, that no progress has been made.

Or Crime.

There is another significant fact. Returns of the prison population in the United States show an increase of 358 persons per million inhabitants during the last census-period. The advance has been greatest in the North Atlantic division, which contains the largest city populations. Exactly what proportion of criminality springs from drink is a question which, so far, has not been accurately determined. The best studies, however, go to show

that tippling is a prolific source of wrong-doing ; indeed, probably the most potent factor in petty crime.

Here, then, is a summary of the situation. Prohibition, local option, State monopoly, high-licence and low-licence, have been tried, and most of them during long periods and in many parts of the country :—

**Summary of
results of
American
Experiments.**

1. The consumption of liquor has increased and the prison population is rapidly advancing.

2. The proportion of licences to inhabitants in large cities often now attains to disgraceful proportions. In the 257 largest cities the ratio of public-house licences to inhabitants is 1 to 250.

3. The alliance between liquor and politics is being drawn closer and closer.

There remain three leading alternatives in future action—

**The Three
Alternatives :**

1. Hopelessly to give up the struggle, at least for the present, and allow the evil to become unendurable, trusting to a great wave of moral enthusiasm to sweep it entirely away. Municipalities exercise this method to free themselves from political corruption, but it is generally noticed that spasms of virtue come at longer intervals, while relapses follow more speedily and are more severe. Generally speaking, the last condition of the patient is worse than the first. Such doctrines are dangerous in the extreme. They cannot for one moment be admitted in dealing with grave moral issues, because ere long recuperative virtue would be debauched and silenced.

Despair,

2. Great numbers of people, while candidly admitting that present conditions are not satisfactory, are so wedded to preconceived notions, or attached to a narrow system, that they will not hear of moving outside of regulation methods.

**Advocacy of
Partial or
Problematical
Measures,**

They are partisans of a faith-cure such as prohibition at this time is, especially when applied to large cities. More, perhaps, believe in very mild homœopathic treatment, and so recommend high-licence, forgetting that a consolidation of liquor interests and the exercise of political favouritism are necessary incidents thereto. Instead of removing it, the impulse of private gain is stimulated by success being rendered uncertain unless business is pushed and resorts made seductive. No-licence—or local option, as it is usually called—cannot be successfully enforced in the case of large municipalities unless there is some adjacent community near by upon which to unload the burden. I doubt very much if Cambridge could have shown such good results, did not a bridge span the stretch of water between it and Boston.

**Investigation
and Rational
Reform.**

3. The third alternative is to study impartially the liquor problem from all points of view, and adopt those methods which have been proven most efficient in practice as measures of progressive, if not ideal, reform.

**The
Committee of
Fifty.**

There has been formed recently, with headquarters in the city of New York, a national Committee of Fifty on the study of the liquor problem. Distinguished men in clerical, professional, academic and business stations, representing all shades of opinion, are banded together with the sound determination to probe the matter rationally and thoroughly. The very names of Presidents Seth Low, Eliot, Gilman, and Andrews; Doctors Billings, Welch, Bowditch, and Chittenden; Bishops Potter and Vincent, Fathers Doyle and Conaty, and the Reverend Doctors Munger, Peabody, and Felix Adler; Francis A. Walker, Carroll D. Wright, William E. Dodge, W. Byard Cutting, and Robert T. Payne, are a guarantee of sincere purpose

and determined aim. When such men as these and twenty-nine others scarcely less distinguished surrender time and attention and contribute money and effort to the work, it does not seem unreasonable to hope for good results. Gauging the attitude of fellow members by a personal standard, I may say that never was any question approached with greater earnestness. Four leading sub-committees will investigate the physiological and pathological effects of alcohol upon the human system, the legislative status of the drink traffic and the success attending various forms of control, economic phases with relation to crime, pauperism, industrial efficiency, and finally, ethical aspects in their broadest extensions. When results are reached and published, the American people will have data for judgment which have never existed before. To my mind, one reason why so little solid advance has hitherto been made is that the liquor problem has been largely dealt with from the standpoint of sentiment. Sentiment is undoubtedly a tremendous force, but, like other motive powers, unless usefully directed, no progress can be made. A locomotive with furnace blazing and lever drawn may remain at a complete standstill. It must have a track upon which to run if ground is to be traversed and a goal reached. Now, this National Committee of Fifty, if it does nothing else, will certainly lay a track.

In the meantime, thoughtful people in the United States are turning to the Scandinavian method as the best and safest means of control. The publication in 1893 of the official report I had the honour of being commissioned to make to the United States Department of Labour struck a responsive chord. The first edition, numbering several

**Growth of
Favourable
Opinion
towards
Scandinavian
System.**

thousand, was speedily exhausted. The distribution record of this public document disclosed the gratifying fact that a very large proportion of applicants belonged to the Christian ministry.

**The Massachusetts
Legislative
Commission,**

A little over a year ago, Massachusetts, which has always taken the lead amongst American States in industrial and social reform, began to evince signs of particular interest. A committee of propaganda, composed of many of the most influential citizens, was formed. In this body clergymen of various denominations were liberally represented. Indeed, a published list of one hundred of the most prominent exponents shows more than one-fourth to be ministers. The governor appointed a strong legislative commission to study the question and report a Bill. The measure was discussed in the Legislature last spring, but was finally defeated, principally because of the liquor interest, in combination with a few misguided prohibitionists, by one vote. Considering the brief time a measure of such great public importance had to become known and properly understood, it is felt that a great moral victory has been achieved and that final success at an early date is reasonably certain.

And Bill. The text of the Bill is as follows :—

**AN ACT TO ESTABLISH THE NORWEGIAN SYSTEM OF
SELLING INTOXICATING LIQUORS.**

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows :—

Section 1. A petition signed by qualified voters of any city or town, not less in number than one for every one

hundred persons who voted at the next preceding annual election in such city or town, but in no case less than fifty, may be presented to the board of aldermen of such city, or to the selectmen of such town, asking them to insert in the warrant for the annual municipal election or town meeting an article providing for a vote upon the question: "If licences for the sale of intoxicating liquors are granted in this city (or town), shall they be granted under the Norwegian system?" If said petition is duly filed with the bond as hereinafter provided, the alderman or selectmen, as the case may be, shall insert such article in said warrant. The vote shall be taken thereon, and the result reported in the manner provided by law for the vote on the question: "Shall licences be granted for the sale of intoxicating liquors in this city (or town)?"

Section 2. Said petition before being filed shall be seasonably submitted to the registrars of voters of the city or town in which the signers purport to be qualified voters, and the registrars, or a majority of the board to whom the same is submitted, shall forthwith certify thereon the number of signatures which are names of qualified voters in the city or town for which they are registrars. And said petition, together with the bond duly approved as hereinafter provided, shall be filed with the city or town clerk, as the case may be, at least ten days before the time fixed for the issue of the warrant for the city or town election.

Section 3. The question relating to the Norwegian system shall not be inserted in the warrant or printed on the ballot, as provided in section 1 of this Act, unless there is filed, together with said petition, a bond to

said city or town, in the penal sum of one thousand dollars in towns, and of five thousand dollars in cities, executed by not less than five citizens of such city or town, approved by a master in chancery and conditioned upon the formation, before the first day of May following said election, of a corporation to receive the licences, which may be granted to it under the provisions of this Act, and upon the carrying on of business under such licences for at least three years from said first day of May, but to be void if such city or town shall not vote to grant licences under the Norwegian system.

Section 4. In any city or town voting to grant licences to sell intoxicating liquors under the Norwegian system, every such licence shall continue in force until three years from said first day of May, unless sooner forfeited or rendered void, and no vote shall be taken in such city or town on the question of granting licences for the sale of intoxicating liquors until the third annual election or town meeting following the one at which such city or town voted to grant such licences, under the Norwegian system; and in such city or town wherein a corporation is organised to take licences of the first and second classes, as hereinafter defined, no licences of these two classes shall be granted except to such corporation, and such corporation shall apply all the profits of the business above 5 per cent. on its capital, except as hereinafter provided, to the aid of objects of general public benefit and utility, to be decided upon as hereinafter provided. There shall be but one such corporation doing business within such city or town, and if more than one is formed and

applies for licences, that one shall receive them which a commission composed, in cities, of the mayor, the city treasurer, and the chairman of the board of assessors, in towns, of the chairman of the board of selectmen, the town treasurer, and the chairman of the board of assessors, shall decide to be the one which will best conduct its business to secure sobriety and good order conformably to the provisions of this Act. Whenever more than one such corporation applies for licences, said commission shall be called together by the mayor or the chairman of the board of selectmen, as the case may be ; it shall hear the claims of all applicants, and shall make its decision between them, which, with the reasons therefor in writing, shall be filed with the city or town clerk, as the case may be, and be open to public inspection.

Section 5. The by-laws and regulations governing the business of the corporation shall conform to existing law, and in this respect shall be approved by the judge of probate of the county within which such city or town is situated before the corporation shall begin its business ; they shall be conspicuously posted in every place where the business of the corporation is carried on. No shareholder shall receive more than an annual dividend of 5 per cent. on the par value of his stock, payable semi-annually ; and after all the expenses of the business and the dividend have been paid there shall first be established a reserve fund equal to the par value of the capital stock, and after the payment of said dividend and the establishment of said reserve fund the remainder of the net profits, if any, shall at a fixed time in each year be expended for one or more

objects of general public benefit and utility, such as industrial education, coffee-houses and reading-rooms, parks, hospitals, public baths and sanitary improvements. The objects of such expenditures in each year, and the proportion of said remainder to be expended for each one of the objects selected, shall be determined by the shareholders at a meeting called for that purpose.

Section 6. The commissioners of savings banks shall investigate, examine and proceed against every such corporation in like manner and with the same powers as is now or shall hereafter be provided in the case of savings banks, so far as such provisions are applicable thereto; and if it shall appear to said commissioners that the business of such corporation is being carried on so that its shareholders are receiving or will receive therefrom, directly or indirectly, more than the dividend of 5 per cent. as hereinbefore provided, said commissioners shall apply to a justice of the Supreme Court to issue an injunction to restrain such corporation, in whole or in part, from further proceeding with its business in like manner as is now provided by sections six, seven, eight, nine, and ten of chapter one hundred and sixteen of the Public Statutes with respect to savings banks; and such justice shall have the same power and duties in respect to such application as are now given by section six of chapter one hundred and sixteen of the Public Statutes in respect to savings banks. Said commissioners may cause any such examination to be made by an expert under their direction at the expense of the corporation. Every such corporation shall annually, within ten days after the last business day of its fiscal year, make a return

to said commissioners, which return shall specify such details of its business as said commissioners may direct, and shall include the names and number of its employees and the salaries paid to each, and the salaries, if any, paid to any officers of said corporation. Blank forms for such returns shall be furnished by said commissioners. Said annual returns shall be published in a newspaper of the city or town where such corporation is established, or, if no newspaper is published in any such city or town, in the newspaper published nearest such city or town, at the expense of such corporation, at such times and in such manner as said commissioners may direct. Said commissioners shall annually make report to the general court of such facts and statements respecting such corporation, and in such form as they deem that the public interest requires.

Section 7. Every licence granted to a corporation under the provisions of this Act shall be subject to all existing laws and to all the conditions now imposed upon licences granted to private licensees, and which are not inconsistent with the provisions of this Act, and they shall be further subject to the condition that no sale whatever shall be made on credit.

Section 8. Licences to be granted in a city voting to grant licences under the Norwegian system shall be of the following classes :—

First Class.—To sell liquors of any kind to be drunk on the premises.

Second Class.—To sell liquors of any kind, in quantities of less than fifty gallons, not to be drunk on the premises.

Third Class.—To sell distilled liquors of any kind, but only in quantities of fifty gallons or more, not to be drunk on the premises.

Fourth Class.—To sell malt liquors of any kind, but only in quantities of fifty gallons or more, not to be drunk on the premises.

Fifth Class.—Licences to clubs, as now provided by law.

Sixth Class.—Licences to druggists and to apothecaries, as now provided by law, except that sales of intoxicating liquors of any kind by retail druggists and apothecaries for medicinal purposes shall be made only upon the prescription of a physician.

Section 9. The number of licensed places in which said corporation may exercise the licences granted under the provisions of this Act shall be fixed by the directors, subject to the approval of the licensing authority for the time being ; but the number of licensed places for the sale of intoxicating liquors under the first four classes, as hereinbefore defined, shall not exceed one place for each two thousand of the population of the city or town in which the licences are to be granted, as ascertained by the last preceding national or state census ; and all licences granted contrary to or in excess of the provisions of this Act shall be void.

Section 10. The foregoing section shall not prevent the licensing of one place in any town voting to licence under the Norwegian system where the population is less than two thousand.

Section 11. The fees for licences granted under the provisions of this act shall be as follows :—

For a licence of the first class, not less than one

thousand nor more than two thousand dollars ; for a licence of the second class, not less than five hundred nor more than one thousand dollars ; for a licence of the third class, not less than five hundred nor more than one thousand dollars ; for a licence of the fourth class, not less than five hundred nor more than one thousand dollars ; for a licence of the fifth class, not less than fifty nor more than five hundred dollars ; for a licence of the sixth class, one dollar.

Section 12. All existing laws relating to the issuing, control and revocation of licences for the sale of intoxicating liquors, and not inconsistent with the provisions of this Act, shall apply to licences granted under this Act ; and said corporation shall be subject to all existing pecuniary penalties for the violation of the conditions of licences or of the laws relating to the sale of intoxicating liquor, and shall appoint a manager for each licensed place where its business is to be carried on, who shall be personally liable to all penalties for said violations occurring in the licensed place of business under his management.

Section 13. For the purposes of carrying on the business of selling intoxicating liquors under the provisions of this Act, five or more persons may form a corporation under the provisions of the general laws relating to the formation of business corporations, and on the formation of such corporation shall be subject to the provisions of said laws, and may exercise all the powers of a business corporation formed thereunder, together with the power to sell intoxicating liquors.

Section 14. Nothing in this Act shall be construed to affect existing laws regulating the granting of licences

for the sale of intoxicating liquors in a city or town voting to grant such licences, and in which no corporation shall be established to take the same as herein provided.

**Co-operation
of Intelligent
Prohibitionists.**

Section 15. This Act shall take effect upon its passage.

An encouraging feature of the Massachusetts agitation is that the hearty co-operation of many of the more intelligent prohibitionists has been enlisted. The chairman of the State prohibition committee and candidate of the post for Governor, in 1890 endorsed the measure, declaring publicly that it seemed to him "wiser to encourage than to antagonise the movement." Mrs. Mary A. Livermore, the world-renowned champion of woman's progress and a consistent temperance advocate, wrote, "First, last, and always, I am a prohibitionist, and I favour the Norwegian Bill, because, if righteously administered, its tendency will be towards prohibition, and if our good temperance people would carefully study the Bill I think their objections would disappear. I hope the Bill will pass."

Such unqualified endorsements—many more might be quoted—from great leaders in the advanced temperance party ought to cause persons of similar views everywhere to hesitate before assuming a hostile attitude. Absolutely no sacrifice of principle is demanded. The end is the same, the way of reaching it, if longer, is surer and safer to travel.

**The wisdom
of "The
Trade."**

The liquor interest* in England will, it may be hoped, adopt a wiser and more patriotic policy than that of the

* In addition to whatever allowance in money, or time, or a combination of both, the nation may decide to award to the dispossessed licensees as compensation or equitable consideration, the transfer of the retail traffic to public hands will bring with it some indirect, though by no means unimportant, advantages to the brewer and distiller. In an article

Brandy League in Sweden, which—with the shortsighted alliance of the Temperance Extremists—for sixteen years fought tooth and nail, but fought in vain, the infant Gothenburg system, at that time strong only in the soundness of its principles. Promoters of public weal will favour it. The prohibitionists if they do not positively hold the balance of power are at least a potent factor in the contest. There are numerous instances in the past where this high-minded, self-sacrificing element of the community has been found in alliance with rumsellers to defeat moderate measures of control. While such an attitude involves censure, abuse should be spared. The error was in judgment, not in motive; their practice has simply been better than their precept. What organised bodies of abstainers will do for or against the introduction of the Scandinavian plan is a most important question. Will they help the liquor interest to defeat the scheme and then retire to the hill-top to invoke the judgment of Heaven upon all concerned in the traffic; or will they conceive the truer mission of responsibility for the wisest available management of this weighty social matter?

Helping along the company system is wise policy as well as a humanitarian act. He must be very obtuse who cannot understand that one or two generations passed with restricted consumption, diminished drunkenness, fewer

**The claims
of the
Company
System
to support.**

in the *Economic Journal* for June, 1894, on "The Results of the Retail Liquor Traffic without Private Profits," Mr. John Graham Brooks wrote as follows:—"In 1892 a large distiller told the writer, 'We were fairly beaten, and now have adjusted ourselves to the new régime. It is, moreover, turning to our advantage in one unexpected way. We sell far less alcohol than we could sell if we controlled the retail sellers, but litigation has ceased, and we have no worry about our payments. I had rather do less business, and have more quiet in my affairs.'"

temptations to drink, and a wholesome off-setting of the impulses to indulgence by the creation of better social centres for the poor, the best of all vantage-grounds for ultimate annihilation of abuse will be reached. Countries are groaning under the liquor curse. Does it not behove all well-disposed people to cast aside prejudice in order to gain substantial betterment? Let not the attitude of abstainers in relation to controlling the "unholy thing" any longer savour of the conduct of the priest and the Levite—passing by on the other side.

It is no part of my present purpose to find fault. I wish only to appeal. I have written this volume in the hope of contributing to public enlightenment, and so furthering the laudable ends which the Bishop of Chester and his distinguished associates have in view. Personally, I believe profoundly in the system, because it operates educationally, it does not repress by force of law. I grant it is not an ideal to those who look upon every sort of alcoholic drinking as unfortunate or wrong; but it furnishes the surest path of progress. The true ideal is as far beyond this system as it is beyond prohibition maintained by police power, an ideal which cannot be attained until the moral nature of man shall have been so renovated, that he will instinctively or rationally shun all agencies of evil, and make wise use of everything with which he comes in contact. As a means of education towards so lofty a standard the Scandinavian plan offers superior advantage. Powerful object-lessons awaken the intelligence and move the heart. Best of all, it offers a common meeting-ground where moderate and advanced exponents of temperance may join hands with simple well-wishers of the race, to unitedly advance momentous human interests.

APPENDICES.

EXTRACTS FROM AN ARTICLE ON "RETAIL LIQUOR TRAFFIC WITHOUT PRIVATE PROFITS," IN THE *ECONOMIC JOURNAL* FOR JUNE, 1894, BY MR. JOHN GRAHAM BROOKS, MASSACHUSETTS COMMISSIONER.

A.—"THE PROOF OF THE PUDDING."

THE retail traffic without personal gains makes possible for the first time any real and genuine enforcement of the law for any long and continuous period of time. After the three distinct personal investigations in Norway and Sweden above referred to, and after exhaustive examination of the data furnished by Dr. Gould and Mr. Koren, the Massachusetts Commission, in their preliminary report, use the following words: "This great reform in the legislative control of the retail sales of distilled spirits began in Gothenburg nearly thirty years ago. From town to town it has slowly spread by the sheer force of its admitted superiority over any method under which private profits are made. Scores of objections as to the difficulties of management, politics, use of the profits, evasions of the law, etc., have proved in this long experience of town and country to be without foundation. Both countries are now practically covered by this system, for the sole reason that every moral and social interest has been found to be the gainer. The earlier fears of the temperance party that the

principles of local option and prohibition would suffer are no longer felt by the leaders of the temperance movement. The Commission may be allowed after its investigation to express the confident opinion that the evidence for this system, if fairly considered, abundantly justifies in Massachusetts such an experiment with the Norwegian method as might be tried under a Permissive Bill."

B.—ELIMINATION OF PRIVATE PROFIT.

It is no longer doubted that at least the excessive use of intoxicating liquors is, if measured by the sheer bulk of misery that flows from it, one of the most appalling of social evils. Innumerable legislative and other attempts have been made, leaving the pecuniary gains upon the liquor to the individual seller. This identifying of personal advantage with the distribution of a stuff so dangerous is found ultimately to defeat alike the schemes of the philanthropist and the law-maker. In every page of this Scandinavian history the fact which stands out in the clearest light is, that this laying of the axe to the tap-root of personal profit-making in the liquor traffic was the deadliest blow ever struck at the evil. The more thoroughly the evidence is examined, the more manifest it becomes that almost every separate advantage that comes from the system is traceable ultimately to this fact, that in the whole retail business no individual makes money from it. *Because* of this, the credit system, with its enormous practical abuses, is absolutely stopped, the hours of sales a greatly restricted, the places and conditions regulated and limited, adulteration is checked, and licences are made fewer and fewer in proportion to the population. *Because* of this, youths can be refused, and all loafing and gaining

at the bars put an end to. If the distillers lose the control over the retail traffic, we can understand why politics should become divorced from the business. That a single company should deliberately lose 5,000 dols. in one year by refusals to serve spirits becomes intelligible to us. We can understand why the principles of a sound civil service can be made to work even among the servants and officials of this trade in drink. Think of the "rum-ring" in Boston promoting those bar-tenders who sold *least* liquor! Yet this is done in Norway, because the man who sells least is recognised by the company as one who serves the community best. It is again because of this elimination of the private profit-maker that the company is enabled easily and naturally to make many advances and improvements beyond what the law requires. In scores of instances it will be found that in the limiting of licences, hours of sale, raising the age at which youths may be allowed at the bars, as with several other improvements, the companies are going distinctly beyond what the law prescribes.

What, then, is the claim which the soberest advocate may make for this scheme? Not that it is either a panacea or a solution, *but that it is incomparably more efficient than any other form of licence.*

C.—ARRESTS FOR DRUNKENNESS.

In several Massachusetts cities where prohibition prevails, arrests for drunkenness have in some cases doubled, as compared with conditions under licence, but it is known that the reason for the increase is in the far sharper control of drunkenness by the kind of administration which a public opinion, powerful enough to vote no licence, upholds. In Cambridge, the largest city in the state in

which prohibition obtains, the present mayor was elected largely upon this very issue. This fact, together with that of a strong personal interest in the temperance cause, has brought about under his administration the severest police supervision over drunkenness that the city has ever known. The number of arrests has more than doubled, but no citizen of Cambridge who knows the facts doubts that the consumption of spirits in that community has fallen off. The changes in public sentiment, both in Sweden and Norway, differ from this only in degree. The chiefs of police and Dr. Wieselgren, as Director-General of the prisons, give the strongest evidence as to this fact. It can be shown with incontestable certainty that to the extent that this company-method covers the problem, the consumption of alcohol steadily diminishes, and that in a degree greater than can be shown in any other country.

It is this experience which is forcing public opinion in both countries to consider seriously an extension of the system. Norway has made a beginning by including beer in eighteen towns. It is believed that the "socialising of the profits," and the consequent stricter inspection, will produce results not unlike those that have been brought about in the case of alcohol. After the company system began, the use of beer increased rapidly, not only in amount but in alcoholic strength. The evidence is overwhelming that much of the drunkenness is owing wholly to this increased consumption of a very strong beer. The cases in Gothenburg, as analysed by the police authorities in that city, show that in 1875 but 130 arrests were made in beer saloons, while in 1892 819 arrests were made.

At the company bars no increase of arrests can be shown. Mr. Koren's conclusions from the latest official

statistics are as follows :—" First, that the cases of drunkenness directly traceable to the bars of the company have greatly declined in number ; and, secondly, that the insobriety still prevalent in Gothenburg is chiefly attributable to the almost unrestricted sale of strong malt liquors." The latter conclusion is unconditionally endorsed by total-abstinence people who now regard beer as their chief enemy. In the auditor's report upon the Gothenburg company's account for 1892, it is said, " It is undeniably in full harmony with the purpose of the company, as well as with the demands of the public and the interests of temperance, that the company should take charge of this traffic. Such a measure on the part of the company would be a first step towards the desired end that all bar trade in the stronger malt beverages containing alcohol, such as beer and porter, might be carried on under the same control as is now provided for the bar trade in spirituous liquors." The sentiment in Sweden is thus growing in the direction of those experiments already begun in the eighteen Norwegian towns. It is known that the beer consumption has nearly doubled within twenty years. Scarcely any restrictions are placed upon the retail sales, and a licence may be obtained upon easy terms—the precise conditions under which alcoholic abuses spread so rapidly before those restrictive laws that preceded the company system.

D.—LESSONS FROM AMERICAN EXPERIENCE.

The prohibitionists in the United States tell us continually that prohibition is full of promise and success, but what is meant by success when the flood of *per capita* consumption is rising steadily from 1878 to 1893 ?

The appalling fact in the United States at the present

moment is that private profit-making in the saloon has so allied itself with political influence that the drink passion is stimulated into acute and unnatural forms which threaten the very centres of legislative life and action.

To see the perils of the present situation we have but to take the measure of this plain fact, that we stupidly allow two such powerful passions as the lust for money and the craving for spirits so to combine that the force of each is increased to unnatural proportions. Every variety of the "free lunch," every description of petty gambling and betting games, ample space and comfort as a smoking and loafing room, all the coarse product of the pictorial and sporting press—these are among the strong enticements which attract and hold crowds of working men. Competition is so fierce among these saloon keepers that these attractions show a very amazing ingenuity in the skill with which they appeal to their victims. But year by year another influence has become a closer and closer part of this alliance between these passions for money and for intoxicants. The saloon in American cities is at last the deadliest centre of corrupt political influence known to us. We have had recently in a great city more than half the year's caucuses held in saloons. The saloon is helpless in the grip of a powerful "rum ring" which uses these with terrific effect in controlling city politics.

Not only the police, but a large part of those officials who have to do with granting licences, or enforcing liquor laws and regulations, are directly and indirectly so tainted by this combination of money and political influence that hardly a law or regulation which touches the liquor traffic can be enforced. It seems fatuous not to see that nothing will have great promise in it which does not strike at

the root of the evil. If the private money-gains are taken from the saloon it instantly becomes useless as a betting, gaming, and loafing centre. Every reason for making the saloon a political centre falls away. It was thus inevitable that the saloon should have been (as admittedly it has been) taken wholly out of politics in Sweden and Norway.

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